



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
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NOTICE OF DECISION NO. 0098 24/10

CANADIAN VALUATION GROUP
1200, 10665 JASPER AVENUE
EDMONTON, AB T5J 3S9

THE CITY OF EDMONTON
ASSESSMENT AND TAXATION BRANCH
600 CHANCERY HALL
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EDMONTON, AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from hearings held on July 5-6, 2010 respecting an appeal on the 2010 Annual New Realty Assessment.

Roll Numbers 1073824	Municipal Address 1220 70 Ave NW	Legal Description Plan 7920262 Block 1 Lot 10
Assessed Value \$5,386,500	Assessment Type Annual - New	Assessment Year 2010

Before:

Patricia Mowbrey, Presiding Officer
Ron Funnell, Board Member
Reg Pointe, Board Member

Persons Appearing: Complainant

Peter Smith, Agent

Persons Appearing: Respondent

Cherie Skolney, Assessor
Cameron Ashmore, Solicitor
Bonnie Lantz, Senior Assessor

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

There were no preliminary issues raised by the parties and the Respondent did not have any recommendations for the properties under appeal.

ISSUES

Are the 2010 assessments fair and equitable?

LEGISLATION

The Municipal Government Act, R.S.A. 2000, c. M-26;



S.467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

S.467(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- a) the valuation and other standards set out in the regulations,
- b) the procedures set out in the regulations, and
- c) the assessments of similar property or businesses in the same municipality.

POSITION OF THE COMPLAINANT

The Complainant's position is that the subject property's 2010 assessment is excessive when compared to sales of similar properties. The subject property is a single-tenant warehouse complex comprising two structures for a total square footage of 40,675 built in 1997/2000. The 2010 assessment equates to \$132.43 per square foot.

The Complainant stated the important factors affecting the value of an industrial property are primarily age, location, and site coverage, although, in this case, the subject site coverage is 23 percent.

The Complainant indicated the subject property is located in a cul-de-sac at the end of a dead-end road (C1, pgs.1, 16).

Eleven sales comparables (exhibit C1, pg. 1) were provided by the Complainant to which comparables #3, #6, and #9 were most comparable in building size to the subject with comparables #6 and #9 most comparable in site coverage. The requested value is \$100 per square foot or a reduction in the 2010 assessment to \$4,068,000.

POSITION OF THE RESPONDENT

The Respondent indicated, for the purposes of the 2010 annual assessment, the sales comparison approach was employed since there was sufficient data to derive reliable value estimates.

Mass appraisal is used to derive typical values and sales occurring between January 2006 through June 2009 and in model development and testing (R1, pg. 7).

Exhibit R2 was submitted by the Respondent to reinforce the applicable legislative provisions relating to the 2010 assessment.

The Respondent submitted four sales (R1, pg. 17) comparables to which #1, #3, and #4 are most comparable to the subject property's effective year, sale #2 to building area, and #1, #2, and #4 to site coverage. Sales comparable #3 was selected by the Respondent as the most similar property overall.

The Respondent submitted eight equity comparables (R1, pg. 22) with a range in assessment value from \$124.83 to \$144.40 whereas the subject property assessment is at \$132.43.

The Respondent indicated sales comparables put forward by the Complainant are considered questionable due to motivated sales, non-arms length transactions, condition, and sales that have taken place after the valuation date of July 1, 2009.

FINDINGS

The subject property has no mezzanine space. The total building area of 40,675 square feet was used by both the Complainant and the Respondent in calculating the assessed value per square foot.

DECISION

The decision of the Board is to confirm the 2010 assessment at \$5,386,500.

REASONS FOR THE DECISION

1. The Board considered the Respondent's sales comparables (R1, pg. 21) and placed greater weight on comparable sale #3 as it was most similar to the subject in size, year built, total building area, condition, and site coverage. The subject property's 2010 assessment of \$132.42 per square foot is supported by the comparable sales.
2. The Board reviewed the Complainant's sales comparables (C1, pg.1) and noted the Complainant indicated that sales #3, #6, and #9 were most comparable in size while sales #6 and #9 were most comparable in site coverage. However, the Board found a number of the sales comparables to be not valid sales due to the differences in condition, motivation of sales, non-arms length transactions, and sales that have taken place after the valuation date of July 1, 2009.
3. The Complainant indicated the subject property is located in a cul-de-sac at the end of a dead-end road, however, the Board found no evidence presented by the Complainant to support a decrease in assessment.
4. The Respondent's equity comparables (R1, pg. 22) are located in the SE industrial area and find equity comparables #6, #7, and #8 are similar to the subject property in effective year built, site coverage, lot size, condition, and total building area demonstrating a range in assessment values from \$124.83 to \$141.25 per square foot supporting the 2010 assessment of the subject property at \$132.43 per square foot.
5. The Board finds the 2010 assessment of \$5,386,500 is fair and equitable.

Dated this eighth day of July 2010 A.D. at the City of Edmonton, in the Province of Alberta.

Presiding Officer

CC: Municipal Government Board
City of Edmonton, Law Branch
City of Edmonton, Assessment & Taxation Branch
Burnt Point Investments Inc.

