



ASSESSMENT REVIEW BOARD

Churchill Building
10019 103 Avenue
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NOTICE OF DECISION NO. 0098 245/11

John C. Manning
c/o 1200, 10665 Jasper Avenue
Edmonton, AB T5J 3S9

The City of Edmonton
Assessment and Taxation Branch
600 Chancery Hall
3 Sir Winston Churchill Square
Edmonton AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from a hearing held on September 21, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
4874327	7940 Yellowhead Trail NW	Plan: 3354RS Lot: 10	\$1,416,000	Annual New	2011

Before:

Hatem Naboulsi, Presiding Officer
Judy Shewchuk, Board Member
Ron Funnell, Board Member

Board Officer:

Annet Adetunji

Persons Appearing on behalf of Complainant:

Peter Smith, Canadian Valuation Group

Persons Appearing on behalf of Respondent:

Susen Douglass, Assessor, City of Edmonton

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.

BACKGROUND

The subject property is a single tenant office/warehouse building of 14,400 square feet, including 1,044 square feet of office space. It was built in 1974 and occupies a .83 acre lot for a site coverage of 42%. Prepared by the direct sales approach, the 2011 assessment is \$1,416,000 or \$98.33 per square foot.

ISSUE

Is the 2011 assessment of the subject property at \$1,416,000 fair and equitable?

LEGISLATION

Municipal Government Act, RSA 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 submitted five sales comparables, including the subject, ranging in time adjusted sale price from \$57.35 to \$85.88 per square foot for an average of \$70.08 per square foot. The range of building sizes was 13,788 to 26,042 square feet and the range of site coverages was 33% to 56%.

Of major concern to the Complainant was the fact that the 2011 assessment was 31% greater than the 2010 assessment, well in excess of nominal assessment increases in this part of north Edmonton.

The Complainant stressed that the arms length sale of the subject in May 2006 is the best indicator of market value and asked the Board to reduce the assessment to \$1,080,000 or \$75.00 per square foot.

POSITION OF THE RESPONDENT

The Respondent presented six sales comparables ranging in building size from 12,424 to 18,000 square feet and site coverage from 31% to 49%. The time adjusted sale prices ranged from \$85.81 to \$139.44 per square foot for an average of \$114.21 per square foot.

The Respondent submitted that their sales comparables were superior to those of the Complainant as three out of six were on the Yellowhead, as is the subject.

The Respondent explained that each year's assessment is independent of the previous year's assessment and is based on the market value on the valuation date.

DECISION

The Board reduces the 2011 assessment of the subject property from \$1,416,000 to \$1,080,000.

REASONS FOR THE DECISION

The Board finds that the sale of the subject in May 2006 is a valid sale and the best indicator of market value. The Board acknowledges that the Complainant utilized the City of Edmonton's industrial time adjustment chart (exhibit C-1, p.4) to arrive at a time adjusted sale price of \$72.41 per square foot.

The Board is aware that each assessment is independent of the previous year's assessment because it is based on the market value on valuation date and not on the previous year's assessment. There was no evidence or argument presented to suggest that the market has increased in value. On the contrary, and according to the City of Edmonton's time adjustment chart, the market has remained stable over the last year.

The Board noted an absence of reliable or relevant sales comparables when making the decision.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 17th day of October, 2011, at the City of Edmonton, in the Province of Alberta.

Hatem Naboulsi, Presiding Officer

This decision may be appealed to the Court of Queen's Bench on a question of law or jurisdiction, pursuant to Section 470(1) of the Municipal Government Act, RSA 2000, c M-26.

cc: CVG
Desert North Developments Ltd