



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
EDMONTON AB T5J 2R7
(780) 496-5026 FAX (780) 496-8199

NOTICE OF DECISION NO. 0098 254/10

James Forster
Colliers International Realty Advisors
3555 - 10180 101 Street
Edmonton, AB T5J 3S4

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 8, 2010 respecting a complaint for:

Roll Number 5213657	Municipal Address 1150 Hooke Road NW	Legal Description Plan: 4907TR Block: 17 Lot: 75
Assessed Value \$14,367,000	Assessment Type Annual - New	Assessment Notice for 2010

Before:

Hatem Naboulsi, Presiding Officer
Jim Wall, Board Member
Jasbeer Singh, Board Member

Board Officer: Annet N. Adetunji

Persons Appearing: Complainant

David Porteous, Colliers International

Persons Appearing: Respondent

Guo He, Assessment and Taxation Branch

PRELIMINARY MATTERS

Upon questioning by the Presiding Officer, the parties before the Board indicated no objection to its composition. In addition, the Board Members indicated no bias with respect to this file.

BACKGROUND

The subject property is a 147 suite, multi-family residential complex located in northeast Edmonton. It comprises 3 bachelor, 48 one bedroom, 78 two bedroom, and 18 three bedroom suites. The 2010 assessment for this property is \$97,734 per suite for a total value of \$14,367,000.

ISSUE

What is the appropriate assessment for the subject property?

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

At the hearing, the only issue presented by the Complainant was the assessment amount. All other issues were deemed to have been adequately settled.

The Complainant submitted 24 pages of documentary evidence (C1).

In his submission, the Complainant presented seven sales comparables to derive an average Gross Income Multiplier (GIM) of 9.72 and an average suite price of \$85,564.57 (C1, page 3).

Using the rent rolls from the subject property, the Complainant used an actual vacancy rate of 16.3% and the GIM derived from the Sales comparables (C1, page 3), to arrive at a requested assessment amount of \$10,790,672 (C1, page 4).

POSITION OF THE RESPONDENT

The Respondent submitted a 94 page brief (R1) which confirmed an assessment method through mass appraisal and the application of a GIM to the Effective Potential Gross Income (EPGI). The GIM was derived through Multiple Regression Analysis (MRA) employed in the City of Edmonton's model. Potential gross income (PGI) for the subject property was estimated based on data input to the model. A typical vacancy allowance of 4% was stabilized based on vacancy

studies and the resultant EPGI of \$1,434,046 was multiplied by the GIM of 10.01 resulting in an assessment of \$14,367,000.

Further, the Respondent submitted 5 sales comparables (R2, pages 46 – 50) and 4 equity comparables (R2) and asked the Board to confirm the assessment.

DECISION

The decision of the Board is to confirm the 2010 assessment of the subject property at \$14,367,000.

REASONS FOR THE DECISION

The Board finds the subject property comprises 147 suites. The Board was not persuaded by the Complainant's sales comparables (C1, page 3) most of which ranged from 20 – 29 suites. One sales comparable consisting of a 100 suite property and assessed at \$97,734 per suite was put forward by the Complainant as the most similar to the subject.

The Board finds two of the Complainant's sales comparables are post-facto; the remainder sold during the first half of 2009 and are considered current. The GIMs indicated by the sales ranged from 7.88 to 12.7 and the Board notes the largest of the sales comparables (sale number 7) had a GIM of 10.23 which supports the GIM of 10.01 used by the Respondent to derive the assessment of the subject.

The Board finds the Respondent's use of a 4% stabilized vacancy rate compared to the Complainant's 16.3% (actual) to be typical of the market.

The Board is persuaded by the Respondent's typical income estimated at \$846.82 per suite per month (average). This income was based on market rental surveys compared to the average actual income of the subject at \$914.01 per suite per month used by the Complainant (R1, pgs. 44-45). The Board finds it to be reflective of the market for this type of property.

The Board is persuaded by the sales and equity comparables presented by the Respondent which support the assessment (R2). The Board preferred the Respondent's sales comparables which, when time adjusted, resulted in a range from \$101,162 to \$124,107 per suite which supports the subject property's assessment at \$97,734 per suite. The Board finds the Respondent's equity comparables which ranged from \$94,233 to \$102,592 per suite with a median of \$100,918 per suite support the subject property's assessment at \$97,734 per suite.

DISSENTING OPINIONS AND REASONS

None.

Dated this 20th day of September, 2010, at the City of Edmonton, in the Province of Alberta.

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, R.S.A. 2000, c.M-26.

CC: Municipal Government Board
Shelter Corp. of Canada Ltd.
Canridge Properties Ltd.