



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 26/10

CANADIAN VALUATION GROUP
1200, 10665 JASPER AVENUE
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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 8953770	Municipal Address 9853 33 Avenue NW	Legal Description Plan 7920813 Block 5 Lot 6
Assessed Value \$2,440,500	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. An oath was administered to all parties providing evidence.

ISSUES

Is the 2010 assessment 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 building comprised of two structures with a total of 11,200 square feet built in 1998/2005. The 2010 assessment equates to \$217.92 per square foot.

The Complainant stated the important factors affecting the value of an industrial property are primarily age, location, and site coverage. The subject site coverage is 14 percent which is less than the typical 35% site coverage for an industrial property, thereby creating excess land and added value.

Twelve sales comparables (exhibit C1, pg. 1) were provided by the Complainant to which comparables #2, #10, #11, and #12 were given the greatest weight by the Complainant to support a requested assessed value of \$140 per square foot or a requested reduction in the 2010 assessment to \$1,568,000.

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 in model development and testing (R1, pg. 7).

Exhibit R2 (law and legislation) was submitted by the Respondent to reinforce the applicable legislative provisions relating to the 2010 assessment.

The Respondent submitted three sales (R1, pg. 22) and thirteen equity comparables (R1, pg. 26) to support the assessment.

The Respondent indicated sales comparables put forward by the Complainant are considered questionable due to motivated sales, non-arms length transactions, and condition.

FINDINGS

The subject property has no mezzanine area. The total square foot building area of 11,200 square feet is used by the Complainant and the Respondent in calculating the assessed value per square foot.

DECISION

The decision of the Board is to reduce the 2010 assessment from \$2,440,500 to \$1,568,000.

REASONS FOR THE DECISION

1. The Board reviewed the Complainant's sales comparables (C1, pg.1) and noted the Complainant indicated that sales # 2, #10, #11, #12 were most comparable in size and #3 and #12 in site coverage. The Board found sales #2 is a non-arms length transaction while #10 and #11 were sales that took place after the July 1, 2009 valuation date. Sale #12 is given weight as it is similar in age, building size, site coverage, and is a July 2009 sale, and although it is located in the NW industrial area, it is on a major roadway and supports the requested assessed value of \$140 per square foot or \$1,568,000.
2. The Board reviewed the Respondent's sales comparables (R1, pg. 22) and noted the sales comparables' lot sizes range from one-half to five times the size of the subject property, the effective year built ranged from 1967 to 1990 whereas the subject property is 1998/2005, and that the total building areas range from 4,000 to 25,479 square feet and the subject property is 11,200 square feet. Likewise, site coverages range from 6 to 9 percent whereas the subject property has a site coverage of 14 percent. The Board noted the evidence demonstrated a wide disparity of physical characteristics and site coverage in comparison to the subject property and, therefore, found it did not support the 2010 assessed value of \$217.92 per square foot.
3. The Board reviewed the Respondent's equity comparables (R1, pg. 26) and found the main floor areas exceeded the lot sizes which made the data unusable.
4. The Board finds based on the evidence presented that the 2010 assessment is too high and reduces it from \$2,440,500 to \$1,568,000.

Dated this seventh 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
316772 Alberta Ltd.

