



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION 0098 294/10

Altus Group Ltd
17327 - 106A Avenue
Edmonton AB T5S 1M7

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 between August 23 and October 21, 2010 respecting a complaint for:

Roll Number 1075506	Municipal Address 9333 49 Street NW	Legal Description Plan: 7622073 Block: 4 Lot: 9
Assessed Value \$3,818,000	Assessment Type Annual - New	Assessment Notice for: 2010

Before:

Tom Robert, Presiding Officer
Dale Doan, Board Member
Mary Sheldon, Board Member

Board Officer:

Segun Kaffo

Persons Appearing: Complainant

Walid Melhem

Persons Appearing: Respondent

Stephen Leroux, Assessor
Cameron Ashmore, Law Branch

PROCEDURAL MATTERS

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

All parties giving evidence during the proceedings were sworn by the Board Officer.

PRELIMINARY MATTERS

The parties agreed that all evidence, submissions and argument on Roll # 8480097 would be carried forward to this file to the extent that matters were relevant to this file. In particular, the Complainant chose not to pursue arguments with respect to the evidence he had provided regarding the income approach to value.

The Complainant and the Respondent presented to the Board differing time adjustment figures for industrial warehouses based on the Complainant's submission that some data used in the preparation of the Respondent's time adjustment model was faulty. The Board reviewed the data from the Complainant used in the preparation of his time adjustment figures and was of the opinion that the data used was somewhat questionable (Exhibit C-2). In any event, the differences between the time adjustment charts used by the parties for industrial warehouses were small and in many cases of little significance. Therefore, the Board has accepted the time adjustment figures used by the Respondent.

BACKGROUND

The subject is an industrial warehouse built in 1977 and located in the Eastgate Business Park subdivision of the City of Edmonton. It is 49,997 sq. ft. in size with site coverage of 44%. There are two buildings located on the site.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. However, most of those issues had been abandoned and the issues left to be decided were as follows:

- Is the time adjusted sale price of the subject less than the current assessment of the subject?
- Is the assessment of the subject fair and equitable when compared to the assessments of comparable properties?

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 submitted that the best indicator of value was the sale of the subject in February, 2009. He submitted that the time adjusted sale price for the sale would be \$3,543,000.

This is less than the current assessment of the subject. To arrive at this time adjusted figure, the Complainant applied calculations according to his time adjustment model (C-2, pages 1539-1538).

In further support of his argument that the assessment of the subject is not correct, the Complainant provided a chart of equity comparables to the Board (C-3f, page 10). These comparables were in the same location as the subject, with sizes ranging from approximately 48,000 sq. ft. to approximately 80,000 sq. ft. and with site coverages ranging from 33% to 50%. The average assessment of these comparables was \$74.05 per sq. ft. whereas the subject was assessed at \$76.36 per sq. ft.

The Complainant argued that as a result of site configuration respecting the second building on the site, there should be a 10% downward adjustment to the assessment for the subject, to reflect this negative attribute.

The Complainant also presented evidence concerning his equity comparable #5 which had lower site coverage than the subject. He argued that when the assessment of that comparable is adjusted for the land value (C-3f, page 26) the assessment would be lower than that of the subject.

The Complainant submitted to the Board that the appropriate assessment for the subject should be based on the time adjusted sale price of \$3,543,000.

POSITION OF THE RESPONDENT

The Respondent provided evidence to the Board that a 10% downward adjustment to the rear building on the subject property had already been applied, and was included in the assessment (R-3f, page 15).

The Respondent also provided evidence that most of the equity comparables presented by the Complainant had received downward adjustments of 5% or 10% as a result of problems with site configuration.

The Respondent provided sales comparables of similar properties to the subject in the south portion of Edmonton (R-3f, page 22). One of these comparables (# 10) was the subject with a time adjusted sale price of \$3,694,740, which the Respondent had calculated using the City of Edmonton time adjustment model. The range of time adjusted sale price per sq. ft. of these comparables was from \$73.90 to \$135.61. The Respondent stated that the assessment per sq. ft. of the subject at \$76.36 was within this range.

As further support for his argument that the assessment of the subject was fair and equitable, the Respondent provided a chart of fourteen equity comparables (R-3f, page 33). Thirteen of these comparables were very close to the subject and ranged from \$71.29 to \$95.18 per sq. ft.

The Respondent requested the Board to confirm the assessment of the subject property at \$3,818,000.

DECISION

The Board concludes that the assessment of the subject property is fair and equitable and confirms the assessment at \$3,818,000.

REASONS FOR THE DECISION

The Board agrees with both the Complainant and the Respondent that the best indicator of market value is the sale of the subject property in February, 2009.

The Board accepts the Respondent's position that there is no evidence that the time adjustment model used by the City of Edmonton is faulty. The Board notes that the Complainant has demonstrated at length that the data he has entered into his time adjustment model differs from that used by the City. However, the Board notes that the resulting time adjustment charts produced by the parties show little difference and that those differences could be explained by the post facto sales used by the Complainant in his calculations. In any event, the Board is of the opinion that the sale of the subject property, if properly time adjusted, tends to support the assessment.

The Board also accepts the Respondent's evidence that a downward adjustment has already been applied to the equity comparables supplied by the Complainant.

In addition, the Board notes that the equity comparables presented by the Complainant serve to support the assessment. The range of value of the comparables falls between \$73.88 and \$83.40 per sq. ft. and the value of the subject at \$76.36 per sq. ft. falls squarely within this range. The Board is of the opinion that the assessment of a property must be within an acceptable range to be fair and equitable.

For these reasons, the Board concludes that the time adjusted sale price of the subject property is within range of the assessment and that, when compared with assessments of similar properties, the assessment of the subject property is fair and equitable.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 25th day of October, 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
Anita Bentzien-Lichius