



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION 0098 295/10

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 1527043	Municipal Address 18115 107 Avenue NW	Legal Description Plan 8022583 Unit 4
Assessed Value \$346,000	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 a 2,400 square foot condo warehouse unit within the Wilson Industrial subdivision of Edmonton. The subject was built in 1979 and has 37% site coverage.

ISSUES

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

- What is the typical market value of 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

The Complainant submitted to the Board that sales of similar properties indicated a lower price per sq. ft. than the assessment of the subject indicated.

In support of this argument, the Complainant provided a chart of five sales of comparable properties for the Board to consider (C-3b, page 10). All these properties were condo warehouses in industrial neighborhoods with similar ages and site coverages and the sales took place in 2008 and 2009. The Complainant showed that the average time adjusted sale price per sq. ft. was \$131.28 whereas the assessment per sq. ft. of the subject was \$131.28. The Complainant did not dispute the time adjustment factor for condo industrial warehouses used by the Respondent (C-1, page 1). The Complainant did indicate that sales comparable #3 ought to be withdrawn as the parties to the transaction were related.

The Complainant argued further that while his sales comparable #1 was located in the same condo complex as the subject, its higher time adjusted sale price per sq. ft. could be explained by its location as an end unit.

The Complainant submitted to the Board that a value of \$131.28 per sq. ft. ought to be applied to the subject, giving a total value of \$315,000 and he asked the Board to reduce the assessment to that amount.

POSITION OF THE RESPONDENT

The Respondent submitted to the Board a chart of sales of comparable properties in support of his position that the assessment was fair and equitable (R-3b, page 16). These eight comparables were similar in age, size and site coverage and #1, 4, 5 and 8 were all located on 107 Avenue, as is the subject. The range of time adjusted per sq. ft. values was from \$137.29 to \$ 183.66. The Respondent argued that the assessment of the subject at \$144.14 per sq. ft. fell within this range.

In further support of his position that the current assessment of the subject was fair and equitable, the Respondent provided a chart of the assessments of comparable properties to the subject. This chart consisted of nine comparables, of which one was the subject and was removed. The average assessment per sq. ft. of these properties was \$152.35, while the assessment of the subject was \$144.14 per sq. ft. (R-3b, page 23).

The Respondent submitted to the Board that the investigations of the City indicated that there was no difference in value between an end unit and an interior unit for these condo warehouses. In that regard, the Respondent indicated that a unit in the same complex as the subject which is the Respondent's equity comparable # 6 and the Complainant's sales comparable # 1 is the best indicator of value for the subject despite the differing locations in the complex.

The Respondent asked the Board to confirm the 2010 assessment of the subject at \$346,000 as that value is fair and equitable.

DECISION

The decision of the Board is to confirm the assessment of the subject at \$346,000.

REASONS FOR THE DECISION

The Board is aware that one sale does not indicate market value. However, the sale of a property at 18141 107 Avenue, a unit within the same project, which appears as the Complainant's sales comparable # 1 and the Respondent's equity comparable # 6, is a good indicator. This is assessed at \$144.17 per sq. ft. as is the subject. The time adjusted sale price per sq. ft. of that comparable is \$149.40. The Board accepts the Respondent's submission that the location of this comparable in the complex does not significantly add to the value, and that therefore, this comparable is the most compelling in establishing value.

In addition, the Complainant's sales comparable # 2 is slightly smaller and in an inferior location, not on a major roadway. Nevertheless, the time adjusted price per sq. ft. of that comparable is \$136.67. This confirms that the assessment of the subject is within an equitable range.

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
Robert Gibson