



## **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 0098 297/10**

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:

<b>Roll Number</b> 4229142	<b>Municipal Address</b> 3909 99 Street NW	<b>Legal Description</b> Plan: 9422207 Block: 3 Lot: 6 & 7
<b>Assessed Value</b> \$4,622,500	<b>Assessment Type</b> Annual - New	<b>Assessment Notice for:</b> 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 1988 and located in the Strathcona Industrial Park subdivision in Edmonton. The property has a gross building area of 38,590 square feet with 44% 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 issues left to be decided were as follows:

- What is the typical market value of the subject property?
- 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**

In support of his position that the assessment of the subject is not reflective of market sales, the Complainant provided a chart of sales of similar properties (C-3i, page 12). This chart consisted of three sales of comparable properties and showed an average time adjusted sale price of \$86.98 per sq. ft. The Complainant compared this to the assessment of the subject at \$119.78 per sq. ft.

The Complainant also produced a chart of equity comparables in support of his position that the assessment of the subject was not fair and equitable, when compared with the assessments of similar properties (C-3i, page 14). These four equity comparables showed an average assessment of \$101.74 per sq. ft. which is lower than the assessment of the subject.

Applying the average time adjusted sale price of \$86.98 per sq. ft. to the subject, the Complainant obtained a value of \$3,346,000. He requested that the Board reduce the assessment of the subject to this figure.

## **POSITION OF THE RESPONDENT**

The Respondent argued that the assessment of the subject was fair and equitable. In support of his position, he supplied a chart of sixteen sales of comparable properties which showed a range of time adjusted values from \$101.25 to \$171.49 per sq. ft. (R-3i, page 16). He stated that the assessment of the subject at \$119.79 per sq. ft. fit within this range.

In further support of his position that the assessment of the subject was correct, the Respondent supplied a chart of assessments of properties similar to the subject (R-3i, page 28). He indicated to the Board that in his opinion comparables #1, 2, 3, 6, and 10 of these equity comparables were the best indicators of value for the subject. The average assessed value of these comparables was \$125.53 per sq. ft. which is higher than the assessed value of the subject at \$119.79 per sq. ft.

The Respondent asked the Board to confirm the current assessment of the subject at \$4,622,500.

## **DECISION**

The decision of the Board is to confirm the assessment of the subject at \$4,622,500.

## **REASONS FOR THE DECISION**

With respect to the three sales comparables presented by the Complainant, the Board notes that comparable # 2 had the price of a new roof built in, which would have an effect on the sale price. The Board also notes that that same comparable is much older than the subject which would have an effect on its value. All these factors make that sale of little value in establishing value for the subject.

The Board is also of the opinion that taking the average time adjusted sale price of the Complainant's sales comparables as the indicator of value for the subject is flawed since the comparables differ in many respects such as size, age and site coverage.

Of the four equity comparables presented by the Complainant, the Board accepts that one is not on a major roadway and the site coverages and ages of the comparables vary widely from the subject, which may account for the lower assessment values per sq. ft.

The Board is of the opinion that the question of the data used in the preparation of the time adjustment models for the Complainant and the Respondent is of little consequence since the differences produced are small.

The Board recognizes the flaws in the Respondent's sales comparables as pointed out by the Complainant with respect to differing site coverages (C-4i, page 113). However, it is the Complainant's responsibility to prove that the assessment of the subject is incorrect. The Board concludes that the Complainant has failed to prove this based on the direct sales comparables and equity comparables he provided.

Therefore, the Board concludes that the assessment of the subject at \$4,622,500 should be confirmed.

### **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.

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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.*

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CC: Municipal Government Board  
West Two Enterprises Ltd.