



## **ASSESSMENT REVIEW BOARD**

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

### **NOTICE OF DECISION 0098 299/10**

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> 9966518	<b>Municipal Address</b> 9345 49 Street NW	<b>Legal Description</b> Plan: 7622073 Block: 4 Lot: 7 - 8
<b>Assessed Value</b> \$7,163,000	<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.

## **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:

- 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.*

## **BACKGROUND**

The subject property is located in the Eastgate Business Park subdivision of Edmonton. There are three buildings on the site with a gross building area of 93,811 sq. ft. and 43% site coverage. The buildings were constructed in 1998, 1988 and 1978 respectively. The property is not located on a major arterial roadway.

## **POSITION OF THE COMPLAINANT**

The Complainant argued that the subject was assessed unfairly when compared with the assessments of similar properties. In support of this position, the Complainant submitted to the Board a chart of four assessments of properties similar to the subject (C-3 g, page 9). He indicated that these comparables were similar in site coverage and age to the subject and the average value of the comparables was \$70.69 per sq. ft. He compared this to the assessment of the subject at \$76.36 per sq. ft.

The Complainant submitted that if this value of \$70.69 per sq. ft. were applied to the subject, the resulting value would be \$6,631,500 and he requested the Board to reduce the assessment of the subject to this amount.

The Complainant also requested the Board to make note of the fact the information supplied to the Complainant pursuant to the Respondent's disclosure, differed from that supplied to the Complainant under a section 300 request to the City of Edmonton. He did not, however, wish this to be an issue nor a preliminary matter in this hearing.

## **POSITION OF THE RESPONDENT**

The Respondent argued that the assessment of the subject was fair and equitable, and in support of this position, presented to the Board a chart of sales of properties similar to the subject (R-3g, page 19). These comparables showed a time adjusted sale price range from \$73.90 to \$131.24 per sq. ft. The Respondent stated that the assessment of the subject at \$76.35 per sq. ft. was within an acceptable range.

In further support of the position that the assessment of the subject was fair and equitable, the Respondent produced a chart of the assessments of similar properties (R-3g, page 28). The range of these assessments was from \$73.88 to \$123.86 per sq. ft., while the assessment of the subject was \$76.35 per sq. ft. In particular, the Respondent asked the Board to note that at least five of the comparables were built in the 1970's while comparable # 7 was constructed in 1998. The Respondent submitted that this was important in view of the fact that there were three buildings on the site, all constructed at different times.

The Respondent stated that the sales and equity comparables he had presented showed that the assessment of the subject was fair and equitable, and asked the Board to confirm the present assessment of the subject at \$7,163,000.

## **DECISION**

The Board concludes that the assessment of the subject should be confirmed at \$7,163,000.

## **REASONS FOR THE DECISION**

The Board is of the opinion that when determining a question of fairness and equity alone, the assessment equity comparables must meet a high standard of comparability.

The Board notes that the Complainant produced four equity comparables in support of his argument. While all are in the Eastgate Business Park, as is the subject, two are considerably larger in size than the subject and the site coverages are higher. Three of the four comparables are also older than the subject which would have an effect on value. The Board takes note of the fact, as well, that the Complainant's comparable # 4 has already had a 10% industrial adjustment applied which would lower the value (R-3g, page 29). These factors make these equity comparables less reliable in establishing value for the subject.

The Board also notes that the sales comparables presented by the Respondent contain some factors which make them of less value in establishing value. For example, some of those sales comparables are on arterial roadways whereas the subject is not so located and this would have an effect on value (C-4g, page 115). As well, some of the Respondent's equity comparables fail to take into account site coverage (C-4g, page 122).

However, it is the responsibility of the Complainant to show that the assessment of the subject is incorrect, and the Board concludes that the evidence provided by the Complainant in the form of the four equity comparables failed to do so.

Therefore, the Board concludes that the assessment of the subject is fair and equitable and confirms the assessment at \$7,163,000.

### **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  
Anita Bentzien-Lichius  
Verena Bentzien