



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 NO. 0098 30/10

CANADIAN VALUATION GROUP
1200, 10665 JASPER AVENUE
EDMONTON, AB T5J 3S9

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 Assessment Review Board (CARB) from hearings held on July 5-6, 2010 respecting an appeal on the 2010 Annual New Realty Assessment.

Roll Numbers 9533258	Municipal Address 5708 51 Avenue NW	Legal Description Plan 2069RS Lot 4
Assessed Value \$10,226,500	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

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.

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 containing a total of 63,008 square feet built in 1998. The 2010 assessment equates to \$162.31 per square foot.

The Complainant stated the important factors affecting the value of an industrial property are primarily age, location, and site coverage, although, in this case, the subject site coverage is 11 percent.

Twelve sales comparables (exhibit C1, pg. 1) were provided by the Complainant to which sales comparables #3, #6, and #9 were considered most comparable, by the Complainant, for size with #3 and #12 for site coverage. The requested value is \$110 per square foot or a reduction in the 2010 assessment to \$6,931,000.

A rebuttal document with assessment values for the Respondent's comparable sales was submitted by the Complainant (C2).

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

Exhibit R2 was submitted by the Respondent to reinforce the applicable legislative provisions relating to the 2010 assessment.

The Respondent submitted four sales comparables (R1, pg. 23) to support the assessment. The Respondent placed greater emphasis on sales #1.

The Respondent submitted six equity comparables (R1 p18) 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, condition, and sales that have taken place after the valuation date of July 1, 2009.

FINDINGS

The subject property has no mezzanine space. The total building area of 63,008 square feet was used by both the Complainant and the Respondent in calculating the assessed value per square foot.

DECISION

The decision of the Board is to confirm the 2010 assessment at \$10,226,500.

REASONS FOR THE DECISION

1. The Board considered the Respondent's sales comparables (R1, pg. 21) and placed greater weight on comparable sale #1, as it was most similar to the subject in year built and condition. It has a higher site coverage than the subject and smaller lot size and has a time-adjusted sales price of \$171.49. The subject property's 2010 assessment of \$162.31 per square foot is supported by the comparable sale.
2. The Board reviewed the Respondent's equity comparables and found the equity comparables more similar to the subject property in lot size, site coverage, total building area and condition, with assessments that range from \$152.47 to \$220.02 per square foot. The 2010 assessment for the subject property is at the lower end of the range at \$162.31 per square foot and well supported. The Board placed greatest weight on these equity comparables.
3. The Board reviewed the Complainant's sales comparables (C1, pg.1) and noted the Complainant indicated that sales #3, #6, and #9 were most comparable in size while sales #3, and #12 were most comparable in site coverage. However, the Board found a number of the sales comparables not to be valid sales due to the differences in condition, motivation of sales, non-arms length transactions, and sales that have taken place after the valuation date of July 1, 2009, and minimal comparability to the subject property.
4. The Board noted the subject property has a site coverage ratio of 11% with a site area of 599,412 square feet which provides a great area of excess land and added value that is not reflected in the comparable sales data of either the Complainant (C1, pg. 1) or the Respondent's sales comparables (R1, pg. 13).
5. The Board finds the 2010 assessment of \$10,226,500 is fair and equitable.

Dated this eighth 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
The Great-West Life Assurance Co.

