



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 333/10

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 1066380	Municipal Address 3738 97 Street NW	Legal Description Plan: 8121339 Block: 20 Lot: 11C
Assessed Value \$2,985,500	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

Joel Schmaus, Assessor
Steve Lutes, 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 property is a medium warehouse built in 1997 and located in the Strathcona Industrial Park subdivision of the City of Edmonton. The property has a building area of 27,040 square feet with site coverage of 41%.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. However, most of those issues were abandoned and only the following issues remained for the Board to decide:

- Is the subject assessed on the basis of being on a major arterial roadway (97 Street)?
- Is the assessment of the subject property reflective of market value based on comparable sales?
- Is the assessment of the subject property fair and equitable in comparison with similar 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 argued that the subject's assessment reflects a higher value due to the assessment being based on values derived from major arterial comparables. The Complainant provided traffic count evidence indicating that traffic on 97 Street NW, south of 45 Avenue, is much lower than on any other portion of 97 Street.

The Complainant submitted twelve direct sales comparables with total floor space values ranging from \$32.91 to \$180.45 per sq. ft. with an average price of \$105.16 per sq. ft. The main floor space only of these comparables ranged from \$94.02 to \$142.72 per sq. ft. Of these comparables, the Complainant considered # 3 and # 6, with the most similar attributes to the subject, as the best indicators of value.

The Complainant also submitted thirteen equity comparables ranging in value from \$76.99 to \$117.93 per sq. ft. (C-3a11, page 16).

The Complainant requested that the assessment should be reduced to \$2,426,000.

POSITION OF THE RESPONDENT

The Respondent submitted that the subject is on a major arterial roadway as indicated by sales comparables. The Respondent argued that the evidence relating to traffic count is inconclusive in regard to valuation of the subject, and traffic count alone does not determine the value of the subject.

The Respondent submitted nine sales comparables with values ranging from \$91.97 to \$129.63 per sq. ft., and nine equity comparables ranging in value from \$98.28 to \$123.30 per sq. ft.

The Respondent argued that the assessment of the subject at \$110.41 per sq. ft. was within the range of both the sales and equity comparables.

DECISION

The decision of the Board is to confirm the assessment at \$2,985,500.

REASONS FOR THE DECISION

The Board is of the opinion that no conclusive evidence was presented in regard to comparable sales on 97 Street to support the argument advanced by the Complainant on the question of arterial roadway.

The Board reviewed the sales comparables, limiting the analysis to main floor space, similar to the subject. The Board found that the Complainant's main floor comparables ranging from \$92.02 to \$142.72 per sq. ft., as well as the Respondent's sales comparables ranging from \$91.97 to \$129.63 per sq. ft., support the assessment of \$110.41 per sq. ft.

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
Sorrel Enterprises Ltd.