



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
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NOTICE OF DECISION NO. 0098 336/10

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 25, 2010 respecting a complaint for:

| | | |
|--------------------------------------|---|--|
| Roll Number 8628109 | Municipal Address 9610 54 Avenue NW | Legal Description Plan: 7723025 Block: 19 Lot: 3 |
| Assessed Value \$1,549,500 | 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

Mary-Alice Lesyk, Assessor
Stephen Leroux, Assessor
Veronika Ferenc, 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 1990 and located in the Coronet Industrial subdivision of the City of Edmonton. The property has a building area of 9,052 square feet with site coverage of 20%.

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:

- When compared to comparable property assessments, is the subject's property's assessment 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

In support of his position that the assessment of the subject was not correct, the Complainant presented four equity comparables (C-3gg, page 10). All were located in interior locations, with a size range from 39,650 sq. ft. to 90,417 sq. ft. and a site coverage range from 22% to 28%. Two of the comparables were newer than the subject and two were older. The average price per sq. ft. was \$146.83 while the subject was assessed at \$171.18 per sq. ft.

The Complainant indicated that the subject should be assessed 10% lower because of an adjustment for servicing.

Based on the average price per square foot of his comparables, the Complainant requested that the Board reduce the assessment to the value of \$146.82 per sq. ft. When this amount is applied to the subject, the resulting value is \$1,329,000 and he requested that the Board reduce the assessment to that amount.

POSITION OF THE RESPONDENT

The Respondent argued that the assessment of the subject was fair and equitable. In support of this position, the Respondent provided a chart of four sales of comparable properties (R-3gg, page 18). The time adjusted sales prices of these comparables ranged from \$164.49 to \$192.95 per sq. ft. The Respondent submitted that this supported the assessment of the subject at \$171.18 per sq. ft.

The Respondent also submitted a chart of seven equity comparables (R-3gg, page 23). All these comparables were in the south east quadrant of the City. The Respondent noted that none of these comparables had finished upper area space, similar to the subject which also has no finished upper area space. The range of assessment of these comparables was from \$175 to \$199 per sq. ft.

The Respondent pointed out to the Board that a 10% adjustment for lack of services had already been factored into the assessment for the subject (R-3gg, page 14).

The Respondent also provided information on the Complainant's equity comparable #3. The Respondent indicated that the recalculated size and resulting recalculated value supported the assessment.

Evidence was also provided by the Respondent that the Complainant's equity comparable #2 consisted of two buildings and contained some finished upper floor space. The Respondent submitted that, even though equity was the issue, it was valuable and proper to offer evidence of comparable sales since the market value is always an issue.

The Respondent requested that the Board confirm the assessment of the subject at \$1,549,500.

DECISION

The decision of the Board is to confirm the 2010 assessment of the subject at \$1,549,500

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 agrees with the Respondent that evidence of comparable sales can be used even when the only issue to be decided is equity. The market value of a property is always an issue.

The Board also acknowledges that the proper comparables to be used should be as similar as possible to the subject. In this regard, the Board notes that some of the comparables used by the Complainant have finished upper floor space, while that is not a characteristic of the subject. This makes the equity comparables presented by the Complainant less reliable.

The Board places more weight on the sales and equity comparables presented by the Respondent. With respect to sales comparables, none of the Respondent's comparables have finished upper area space and are very similar to the subject in characteristics. The assessment per sq. ft. of the subject falls within the range of the time adjusted sale price per sq. ft. of these comparables. Similarly, the equity comparables of the Respondent are very similar to the subject and the range of assessments per sq. ft. support the assessment.

The Board concludes that the Complainant has not shown that the assessment of the subject is not correct and accordingly confirms the assessment of the subject at \$1,549,500.

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
Enercon Products Ltd.