



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 347/10

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 Composite Assessment Review Board (CARB) from a hearing held on November 8, 2010 respecting a complaint for:

Roll Number 8628034	Municipal Address 9632 54 Avenue NW	Legal Description Plan: 7723025 Block: 19 Lot: 1 and 2
Assessed Value \$7,204,500	Assessment Type Annual - New	Assessment Notice for 2010

Before:

Rob Reimer, Presiding Officer
George Zaharia, Board Member
Judy Shewchuk, Board Member

Board Officer: Annet N. Adetunji

Persons Appearing: Complainant

Tom Janzen, CVG

Persons Appearing: Respondent

Renee Gosselink, Assessor, City of Edmonton
Cameron Ashmore, Barrister & Solicitor, City of
Edmonton

PRELIMINARY MATTERS

1. 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.
2. Prior to the commencement of the hearing, the parties were sworn in.

BACKGROUND

The subject property is a 2-storey multi-tenant office building with a total of 40,090 square feet built in 1978 and situated in southeast Edmonton. It is classified by the City of Edmonton as a “B” building.

ISSUES

1. Is the 2010 assessment fair and equitable?
2. Is the typical rental rate of \$17.00 per square foot appropriate for the subject property?

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 submitted Exhibit C-1. On page 6 of C-1, the Complainant submitted the rent roll for the subject building as at December 1, 2009. The range of office rents was between \$5.00 per square foot and \$15.50 per square foot. The Complainant argued that the actual rents generated by the subject building are lower than the \$17.00 per square foot rental rates applied by the Respondent and that the assessment should be based on the actual rental rates.

The Complainant suggested that the subject property could be classified as a “C” building, rather than the current classification as a “B” building.

The Complainant submitted rebuttal evidence C-2, which contained an order of the Municipal Government Board (MGB). He pointed to paragraph 31, p.6 of C-2 where the MGB put little weight on third party reports. At paragraph 47, p.8 of C-2, the MGB stated that “leases in the subject property are the best evidence for the assessment”. The Complainant asked the Board to disregard the third party reports which the Respondent had submitted (R-1, p. 32-60 and p. 62-82). He further asked the Board to consider the actual lease rates as the best evidence for the assessment of the subject property.

The Complainant requested that the 2010 assessment be reduced to \$5,000,000.

POSITION OF THE RESPONDENT

The Respondent stated that the Complainant had not met onus and, therefore, the Respondent should not be required to submit evidence. The Board adjourned to deliberate and made a decision to proceed with the hearing.

The Respondent submitted as evidence an assessment brief of 143 pages (R-1) and stated that the City is mandated by legislation to use mass appraisal when assessing properties. The Respondent stated that to do otherwise would be contrary to legislation.

The Respondent stated that the City has determined that the subject building is a “B” building. Furthermore, the City applies typical rental rates to a group of properties, as opposed to actual rental rates to individual properties. In this case the rental rate applied is \$17.00 per square foot, the same as other south side “B” class buildings.

The Respondent stated that typical rental rates are established based on information supplied by the property owners through Requests for Information. Although the evidence included a number of third party reports, the Respondent stated that these are utilized only as a check.

The Respondent’s position with respect to the MGB decision contained in C-2 was that the property in the decision is a unique property, unlike the subject property, and therefore, that decision is not applicable in this case.

The Respondent asked that the Board confirm the 2010 assessment at \$7,204,500.

DECISION

The Board’s decision is to confirm the 2010 assessment at \$7,204,500.

REASONS FOR THE DECISION

The Board placed little weight on the Complainant’s requested \$13.00 per square foot rental rate because it was based on the site specific rental rates only. The Complainant provided no evidence that the Respondent’s typical rental rate of \$17.00 per square foot is incorrect. Nor did the Complainant provide any evidence that the subject property is incorrectly classified as a “B” building.

The Board agrees that the Respondent is required by legislation to use mass appraisal in assessing properties.

The Board is persuaded that the 2010 assessment in the amount of \$7,204,500 is fair and equitable.

DISSENTING OPINION AND REASONS

There were no dissenting opinions.

Dated this 8th day of November, 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
495382 Alberta Inc.
William A. C. Rowe