



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION 0098 361/10

Jan Goresht
Cushman & Wakefield Property Tax Services
1730 111 5th Avenue SW
Calgary, AB T2P 3Y6

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 01, 2010, respecting a complaint for:

Roll Number 8887887	Municipal Address 8145 Wagner Road NW	Legal Description Plan: 6214NY Block: 18 Lot: 5
Assessed Value \$1,897,000	Assessment Type Annual - New	Assessment Notice for 2010

Before:

Ted Sadlowski, Presiding Officer
Petra Hagemann, Board Member
Howard Worrell, Board Member

Board Officer: Annet N. Adetunji

Persons Appearing: Complainant

Jan Goresht, Cushman & Wakefield

Persons Appearing: Respondent

Kevin Xu, Assessment and Taxation Branch
Rebecca Ratti, Law Branch

PRELIMINARY MATTERS

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

BACKGROUND

The subject property, an 1B industrially zoned warehouse is located at 8145 Wagner Road in the Davies Industrial West subdivision. The 18,576 sq. ft., 2 storey concrete structure was built in 1971, is in average condition, and is on a 1.16 acre irregular shaped building lot.

ISSUE

Is the assessment in excess of market value?

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 provided an opinion of value dated October 1, 2009 from Cushman & Wakefield (C-1, pg 7-34) showing a value for the subject property of \$1,500,000 or \$80.00/sq. ft. To substantiate this opinion of value, six sales comparables were used.

The Complainant also provided additional detail to support the six sales comparables used in the opinion of value which include Network data sheets and copies of the 2010 assessments from the City of Edmonton website. These sales comparables showed an average time adjusted sales price of \$82.22 to support the opinion of value (C-1, pg 47).

Although the Complainant provided the City of Edmonton 2010 assessments for the sales comparables, no equity argument was advanced.

The Complainant also explained that the subject property had limited access off Wagner Road and especially limited side and rear access along with deferred maintenance issues (C-1, pg 21) that would negatively affect its value.

The Complainant requested a reduction in the assessment to \$1,500,000.

POSITION OF THE RESPONDENT

The Respondent submitted five sales comparables (R-1, pg 18) located in close proximity to the subject property. These comparables are similar in lot and building size, site coverage, age and have an average time adjusted sales price of \$117.18/sq. ft. This is evidence that the subject's assessment at \$102.12/sq. ft. is fair.

The Respondent further submitted seven equity comparables (R-1, pg 24) all in the Davies Industrial subdivision. These industrial warehouses are all in average condition, with similar site coverages, age, lot and building size and have an average assessment of \$115.61/sq. ft. This is evidence that the subject is assessed equitably.

The Respondent indicated that a 10% reduction had been applied to the subject property due to its irregular size and restricted access.

The Respondent argued and provided evidence that the Complainant's sale #1 (R-1, pg 25-27) had been a motivated sale. Sale #3 (R-1, pg 28-35) was sold for \$1,155,687 when its market value was actually \$2,200,000 based on a condition to purchase as outlined four years prior in the lease agreement with the tenant. Accordingly the Respondent asked that these two sales should not be considered. Sales #2 and #4 are located in a different area of the city and therefore should be given little weight.

The Respondent requests that the assessment be confirmed.

DECISION

The decision is to deny the complaint and confirm the 2010 assessment at \$1,897,000.

REASONS FOR THE DECISION

The Complainant submitted six sales comparables in support of his request for a reduction in the assessment (C-1, pg 47). The time adjusted sale prices per sq. ft. ranged from \$54.16 to \$98.13. All of the comparables except #6 were located in the northside of Edmonton. The last comparable is located in the southside in close proximity to the subject property.

The Respondent provided five sales comparables (R-1, pg 18), all located in the southside of Edmonton and in close proximity of the subject property. The time adjusted sales prices per sq. ft. ranged from \$96.90 to \$129.63. The assessment of the subject is \$102.12/sq. ft. and falls within the range of the comparables. All of the comparables were in average condition as is the subject. All had similar site coverage and were similar in size. This supports the assessment of the subject property.

The Respondent also provided seven equity comparables (R-1, pg 24). All are located in the Davies Industrial West subdivision. All have similar site coverage, all are average condition, and all are similar in age, lot and building size. The assessments ranged from \$112.61/sq. ft. to \$119.21/sq. ft. The subject is assessed at \$102.12/sq. ft. which is further supported by the equity comparables.

The Board was persuaded by the evidence and argument provided by the Respondent and therefore confirms the assessment.

DISSENTING OPINIONS AND REASONS

There were no dissenting opinions.

Dated this 1st 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
Trans Can Imports Ltd