



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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EDMONTON AB T5J 2R7
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NOTICE OF DECISION NO. 0098 383/10

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 3508140	Municipal Address 20 Airport Road NW	Legal Description Plan: 6466MC Block: 18B Lot: 6 - 8
Assessed Value \$3,895,000	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
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 with an effective year built of 1975. The property is located in the Edmonton Municipal Airport subdivision of the City of Edmonton. The property has a total building area of 47,209 square feet with 46 % site coverage.

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:

- What is the market value of the subject property?
- 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 presented five direct sales comparables ranging in value from \$54.39 to \$94.84 per sq. ft. with an average of \$74.69 per sq. ft.

The Complainant argued that the subject property sold on April 1, 2008 for \$3,500,000, and when time adjusted equates to \$67.91 per sq. ft. via the Altus time adjustment, and \$71.45 per sq. ft. when applying the City's time adjustment. Both time adjustment values are below the assessed value of \$82.51 per sq. ft.

The Complainant also presented five equity comparables ranging in value from \$71.69 to \$81.23 per sq. ft. with an average of \$ 77.02 per sq. ft.

POSITION OF THE RESPONDENT

The Respondent submitted five direct sales comparables including the sale of the subject ranging in value from \$71.45 to \$136.96 per sq. ft.

In support of the argument that the assessment is equitable, the Respondent further submitted seven equity comparables ranging in value from \$78 to \$97 per sq. ft.

DECISION

The decision of the Board is to reduce the current assessment to \$3,373,000.

REASONS FOR THE DECISION

The Board is of the opinion that the best indicator of market value is the Respondent's time adjusted value of the sale of the subject.

The sale of the subject took place in April 2008 requiring less adjustment in regard to time, and of course no other adjustments for comparability. The Board therefore reduces the assessment to \$71.45 per sq. ft. or \$3,373,000.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 26th 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
Marlow Properties Inc.
Canadian Capital Realty Corporation