



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 384/10

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 3517968	Municipal Address 11755 108 Avenue NW	Legal Description Plan: 1755KS Block: 19 Lot: H
Assessed Value \$3,046,500	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
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 1958 (effective year built is 1978) and located in the Queen Mary Park subdivision of the City of Edmonton. The property has a total building area of 30,851 square feet with site coverage of 39%.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. However, most of those issues had been abandoned and the issues left to be decided were as follows:

- Is the assessment of the subject property fair and equitable in comparison with similar properties?
- What is the typical market value of the subject?
- Should the subject receive an additional adjustment for irregular configuration?

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 four direct sales comparables ranging in value from \$66.41 to \$95.03 per sq. ft. with an average of \$78.11 per sq. ft. of total floor space (\$90.42 per sq. ft. on main floor only).

The Complainant also presented five equity comparables ranging in value from \$82.51 to \$110.17 per sq. ft. to support the argument that the assessment is not fair and equitable.

In regard to the issue of shape adjustment, the Complainant argued that the subject property should receive an additional 10% reduction, as the subject is affected by a number of factors such as limited frontage, irregular shape and access to the rear of the property.

The Complainant further argued that the building located in the back of the property is considered only as a shed type building and should not be considered in determining a value per sq. ft. for the whole property.

The Complainant argued that based on equity the square footage of the main building is 25,856 square feet not 30,851 square feet as calculated by the City. The square footage value for comparison purpose varies from \$117.83 per sq. ft. when calculated as 25,856 square feet to \$98.75 per sq. ft. when 30,851 square feet is used.

POSITION OF THE RESPONDENT

The Respondent put forward three direct sales comparables ranging in value from \$102.07 to \$104.59 per sq. ft. in addition to five equity comparables ranging in value from \$104 to \$117 per sq. ft. Based on the sales and equity comparables presented, the Respondent argued that the assessment is correct, as well as fair and equitable.

The Respondent argued that a maximum adjustment is applied to all properties with irregularities throughout the City. The Respondent further argued that no evidence as to the type of building that the Complainant excludes from the total square footage has been put forward, nor was evidence presented as to type of construction used or other pertinent data.

DECISION

The decision of the Board is to confirm the current assessment at \$3,046,500.

REASONS FOR THE DECISION

The Board is of the opinion that the subject property falls well within an acceptable range of both parties' sales and equity comparables when total square footage is considered.

The Board recognizes the Complainant's position that the subject has issues with respect to the irregular shape and with respect to access and exposure for the rear building. The Board heard evidence that the subject already receives a negative 10% adjustment for irregular lot shape.

With respect to the rear building, the Board heard evidence that a rear building must be a multi-tenant building to receive an adjustment. Since the subject's rear building is single tenant, it does not fulfill this requirement. It would therefore not be equitable to treat the subject differently from other properties.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 4th 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
SREIT (Nuquest Edmonton) Ltd.