



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
EDMONTON AB T5J 2R7
(780) 496-5026 FAX (780) 496-8199

NOTICE OF DECISION NO. 0098 388/10

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 4234787	Municipal Address 6803 50 Street NW	Legal Description Plan: 9422604 Block: 9 Lot: 10
Assessed Value \$4,166,000	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

Suzanne Magdiak, Assessor
Tanya Smith, 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 1994 and located in the Pylypow Industrial subdivision of the City of Edmonton. The building has a total building area of 13,933 square feet with 5% 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 issue remained for the Board to decide:

- Is the assessment accurate based on the cost approach?

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 argued that the subject property was over-assessed, and that an analysis of value based on the cost approach would yield a value of \$3,397,500 for the subject (C-3a41, page 10). He argued that the cost approach would be appropriate based on the subject's low site coverage.

In support of this position, the Complainant submitted that the building on the subject should have a depreciated improvement value of \$554,648. With respect to the land portion of the subject, the Complainant submitted a chart of comparable sales of land (C-3a41, page 17). He argued that the average value per sq. ft. of these land sale comparables of \$10.83 should be applied to the subject. This would give a land value to the subject of \$2,843,226 which, when added to the value of the improvement at \$554,648, results in the total requested value of \$3,397,500. This was in contrast to the current assessment of the subject at \$4,166,000.

However, the Complainant did note to the Board that all the land sale comparables he had submitted were properties on interior lots, while the subject was located on a major roadway. He indicated to the Board that these comparables should receive an upward adjustment as a result of this factor to make them comparable to the land portion of the subject.

POSITION OF THE RESPONDENT

The Respondent advised the Board that the subject property had been valued using the market value approach. In support of this approach, the Respondent provided a chart of six sales of comparable properties (R-3a41, page 18). All of these properties had low site coverages. The time adjusted price per sq. ft. ranged from \$267.47 to \$410.94. The assessed value per sq. ft. of the subject was \$299.

The Respondent also provided a chart of equity comparables to the Board (R-3a41, page 26). All these comparables had low site coverages. The range of assessed value per sq. ft. of main floor space ranged from \$258 to \$307.

The Respondent argued that the sales and equity comparable charts showed that the assessment of the subject was both correct and equitable, and requested that the Board confirm the assessment of the subject at \$4,166,000.

DECISION

The decision of the Board is confirm the assessment of the subject at \$4,166,000.

REASONS FOR THE DECISION

The Board places little weight on the evidence presented by the Complainant to support the argument that a cost approach to value for the subject shows that the current assessment is incorrect. The land sales comparables presented by the Complainant to support a requested value for the land portion of the subject are of properties not comparable to the subject. The Complainant himself indicated that all the comparables are interior lots while the subject is

located on a major roadway. This makes the comparability of these sales to the subject less valuable since an upward adjustment would have to be made to account for this feature.

The Board is of the opinion that there is insufficient evidence brought forth by the Complainant to support an adjustment to the assessment. As well, the Board is persuaded that the sales and equity comparables presented by the Respondent support the assessment.

Accordingly, the Board confirms the assessment of the subject property at \$4,166,000.

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
RW Gibson Holdings Ltd.