



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 389/10

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 4314415	Municipal Address 4919 84 Avenue NW	Legal Description Plan: 9524998 Lot: 1
Assessed Value \$1,537,000	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
Joel Schmaus, Assessor
Veronika Ferenc, 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 1979 and located in the Lambton Industrial subdivision of the City of Edmonton. The property has a building area of 12,881 square feet with site coverage of 50%.

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:

- Based on comparable sales, is the assessment deemed to be reflective of market value?
- Is the assessment of the subject fair and equitable when compared to the assessments of comparable 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

In support of his position that the assessment did not reflect market value in light of the sales of comparable properties, the Complainant provided four sales comparables (C-3kk, page 12). The average time adjusted price per sq. ft. of these sales was \$101.66 while the subject was assessed at \$119.33 per sq. ft. He indicated to the Board that # 3 was smaller and slightly newer than the subject and that # 4 was slightly larger and older. In his opinion, his sales comparable # 1 was the most valuable indicator of value for the subject.

In support of his position that the assessment of the subject was excessive in comparison with assessments of comparable properties, the Complainant presented a chart of five equity comparables. (R-3kk page 14). The average assessment per sq. ft. of these comparables was \$100.84, lower than the assessment per sq. ft. of the subject.

The Complainant requested the Board to apply the value of \$101.66 per sq. ft. to the subject which would result in a value of \$1,309,000 and requested that the Board reduce the assessment of the subject to that amount.

POSITION OF THE RESPONDENT

In support of his position that the assessment of the subject was reflective of value based on sales, the Respondent presented seven sales comparables (R-3kk, page 17). All were in the same south east area of the City, as is the subject. The range of time adjusted price per sq. ft. of these comparables was from \$115.21 to \$159.16 which, in his opinion, supported the assessment at \$119.32 per sq. ft. Comparables # 3 and # 6 had finished upper floor space, similar to the subject. He pointed out to the Board that the sales comparable #7 on his chart was the same as the Complainant's sales comparable # 4 with a corrected time adjustment value.

In support of his position that the assessment of the subject was equitable when compared to assessments of similar properties, the Respondent produced a chart of six equity comparables (R-3kk, page 25). The range of assessment of these comparables was from \$116 to \$129 per sq. ft. The Respondent also provided information on the Complainant's equity comparable # 3 which showed a size discrepancy (R-3kk, page 32).

The Respondent also provided evidence to the Board that there was doubt as to the reliability of the Complainant's sales comparable # 1 (R-3kk, pages 27-31).

The Respondent requested the Board to confirm the assessment of the subject at \$1,537,000

DECISION

The Board's decision is to confirm the assessment of the subject at \$1,537,000.

REASONS FOR THE DECISION

With respect to the issue of market value, the Board accepts the evidence of the Respondent that there is some doubt as to the reliability of the Complainant's sales comparable # 1. The Respondent has also shown that the Complainant's sales comparable # 4 tended to support the assessment.

The Board also notes that the Complainant has asked the Board to apply an average of the time adjusted price per sq. ft. of the comparables as the value of the subject. In the opinion of the Board, it is not appropriate to apply averages when there are many differences between the subject and the comparables.

With respect to the issue of equity, the Board notes that only one comparable has finished second floor space, whereas the subject does have finished upper floor space. The Board notes further that the data supplied for the subject in the Complainant's charts did not reflect this finished second floor space. This was confirmed in the Respondent's brief (R-3kk, page 13).

The Board concludes that the Complainant has failed to show to the Board that the assessment of the subject is not correct and accordingly confirms the assessment of the subject at \$1,537,000.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 25th 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
668366 Alberta Ltd.