



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 392/10

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 8480410	Municipal Address 4704 97 Street NW	Legal Description Plan: 7721481 Block: 2 Lot: 9
Assessed Value \$5,394,500	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

Stephen Leroux, 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 Papaschase Industrial subdivision of Edmonton. The property has a building area of 59,655 sq. ft. with site coverage of 44%.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. Most of those issues had been abandoned. The issues remaining to be decided are as follows:

- Is 97 Street a major arterial roadway in Edmonton?
- Should an exemption be applied to a portion of the subject occupied by the Good Samaritan Society?
- What is the typical market value of the subject property?
- 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

The Complainant submitted a city traffic study (C-3o, pages 13-14) suggesting that traffic on 97 Street on which the subject is located is significantly lower than arterial roadways in the same area of the city such as 99 Street, 91 Street, Gateway Boulevard and 51 Avenue. The Complainant argued that traffic volume on 97 Street is similar to 96 or 98 Street.

The Complainant argued that a portion of the subject leased to the Good Samaritan Society, a charitable society should be exempt.

The Complainant submitted eleven sales comparables with time adjusted sales prices per sq. ft. ranging from \$32.91 to \$127.55. The average sale price of these comparables was \$89.57 (C-3o, page 12).

The Complainant also provided 14 equity comparables with assessment values ranging from \$68.20 to \$91.43 per sq. ft. and average assessment value of \$79.16 (C-3o, page 15)

POSITION OF THE RESPONDENT

The Respondent argued that the evidence relating to traffic count is inconclusive in regard to valuation of the subject, and that no sales on 97 Street were presented to the Board to draw any conclusions.

In relation to the issue of exemption the Respondent argued that no evidence was presented other than merely stating that a portion of the subject is leased to a charitable organization. The requirements for exemption were not presented nor was there any evidence to show that an application for exemption was made.

The Respondent submitted ten sales comparables with time adjusted sales prices per sq. ft. ranging from \$90 to \$136.09 (R-3o, page 19), in addition to ten equity comparables with assessment values that ranged from \$95.81 to \$114.94 per sq. ft. The Respondent argued that the subject was assessed at the lower end of the range of both the sales and equity comparables.

DECISION

The Board concludes that the assessment of the subject property is fair and equitable and confirms the assessment at \$5,394,500.

REASONS FOR THE DECISION

The Board is of the opinion that no conclusive evidence was presented in regard to comparable sales on 97 Street to support the argument advanced by the Complainant.

On the issue of exemption for a charitable society, the Board was not presented any evidence to support this claim, other than verbal argument. Therefore, the Board concludes that the Complainant did not make a compelling case for exemption.

In regard to the issue of market value the Board is of the opinion that the sales comparables presented by the Respondent with similar square footage and attributes best represent the value of the subject, particularly sale # 6 at \$104.76 per sq. ft.

Similarly, the range of the Respondent's equity comparables indicates that the assessment of the subject is fair and equitable, and therefore the Board confirms the assessment at \$5,394,500.

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

CC: SREIT (West No. 1) Ltd.