



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 41/10

CANADIAN VALUATION GROUP
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THE CITY OF EDMONTON
ASSESSMENT AND TAXATION BRANCH
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EDMONTON, AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from a hearing held on July 12, 2010 respecting a complaint on the 2010 Annual New Realty Assessment.

Roll Number 1117522	Municipal Address 10825 214 St. NW	Legal Description Plan 7321294 Block 3 Lot 2
Assessed Value \$826,000	Assessment Type Annual New	Taxation Year 2010

Before:

Jack Schmidt, Presiding Officer
Mary Sheldon, Board Member
Brian Hetherington, Board Member

Persons Appearing: Complainant

Tom Janzen, Agent

Persons Appearing: Respondent

Kevin Xu, Assessor
Veronika Ferenc-Berry, Solicitor

PROPERTY DESCRIPTION AND BACKGROUND

The subject property is located in the northwest area of Edmonton and was described as a warehouse with no office space. This property was developed in 1978 with a building size of 6,015 sq. ft. and site coverage of 10 percent. The direct comparison sales approach to market value was used in determining the estimate of assessed value.

ISSUE

Both parties agreed that the only issue in this appeal was to determine the following:

Is the value per square foot of the subject property, as estimated for assessment purposes, higher than the values derived from the sale of similar, 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

1. To support the position that a reduction in the assessment of the subject property was appropriate, the Complainant submitted four sales comparables for the Board's consideration. All four comparables were in the northwest quarter of Edmonton. The building sizes of the comparables ranged from 3,999 sq. ft. to 6,699 sq. ft. while the site coverages ranged from 7% to 13% and - like the subject property - all comparables were located on interior lots.
2. The Complainant indicated that three of the sales took place in 2008 and that he time-adjusted these sale prices by a factor of 1% per month. He submitted that he did not make any detailed calculations for other adjustments made regarding other characteristics of the comparables.
3. The Complainant pointed out to the Board that all his sales comparables were located in the Winterburn area of the City, as is the subject property. He submitted that this was an important factor to consider as this area was not provided with municipal services and thus, it would be wrong to compare properties in this area with properties in serviced areas of Edmonton.
4. The Complainant stated that his sales comparables #1 and #2 were the most appropriate in considering the value of the subject property.
5. The Complainant presented the Board with a chart of the Respondent's sales comparables, showing assessment-to-sales ratios. (Exhibit C-2, page 2) He argued that this chart demonstrated that the sales comparables presented by the Respondent were not appropriate in establishing value for the subject property since the assessment to sale ratios ranging from 0.63 to 1.49, were outside the acceptable range.
6. The Complainant requested that a fair assessed value for the subject property should be based on \$120.00 per sq. ft. for a total assessment of \$721,500.

POSITION OF THE RESPONDENT

1. The Respondent took the position that the assessment was fairly completed, and in support of this position, seven sales comparables were presented for the Board's consideration. (Exhibit R-1, page 17)

2. The Respondent indicated to the Board that the first five of these comparables were located in the Winterburn area, while the remaining two were outside that area. He noted that most of these comparables were rated as being in “average” condition, while the subject property was described as being in “fair” condition. The Respondent expressed his opinion that the proper classification of the property should be “average” rather than “fair” and, in support, he submitted photos of the property. (Exhibit R-1 pages 9-10) He also suggested that this classification would likely be amended in the following assessment year.
3. The Respondent argued that the average price per square foot of his sales comparables was \$176.51 and that the assessment per square foot of the subject property at \$137.32, was within an acceptable range.
4. The Respondent supplied further support to his argument that the 2010 assessment of the subject property was fair and equitable in the form of a chart of equity comparables to the subject property. (Exhibit R-1, page 25) The average assessment per square foot of these nine equity comparables was \$165.55, suggesting that the assessment per square foot for the subject property at \$137.32 was within an acceptable range

FINDING

The Board finds that the assessed value per square foot of the subject property is overstated.

DECISION

Having considered the evidence, argument, and submissions as presented during the hearing, the complaint is allowed.

REASONS FOR THE DECISION

1. The Board notes that two of the Respondent’s sales comparables are located outside the Winterburn area and are thus not comparable to the subject property.
2. The Board further notes that the remaining sales comparables of the Respondent are listed as being of “average” condition while the subject property is considered to be in a “fair” condition. The Board did not receive any convincing evidence that the condition is other than “fair.”
3. The Board accepts the Complainant’s argument that the Respondent’s sales comparables do not fairly represent market value for the purposes of assessing the subject property.
4. The Board is convinced that, while the Complainant did not provide the Board with a detailed calculation of his method of making adjustments for various characteristics of his comparables, the Respondent was also unable to provide the Board with calculations for adjustments made.
5. The Board concluded that the Complainant has shown that the 2010 assessment of the subject property is not correct and that the \$120 per sq. ft. value for the subject property is reasonable in calculating the final assessed value.

Accordingly, the assessed value of the subject property is reduced from \$826,000 to \$721,500.

Dated this fourteenth day of July 2010 A.D. at the City of Edmonton, in the Province of Alberta.

Presiding Officer

CC: Municipal Government Board
City of Edmonton, Law Branch
City of Edmonton, Assessment & Taxation Branch
316772 Alberta Ltd.