



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 410/10

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 9541905	Municipal Address 7220 48 Street	Legal Description Plan: 2214HW Block: F Lot:7
Assessed Value \$2,831,000	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
Joel Schmaus, 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 2007 and located in the Weir Industrial subdivision of the City of Edmonton. The property has a building area of 15,200 square feet with site coverage of 32%.

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 of the subject property fair and equitable in comparison with similar 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 presented five equity comparables ranging in value from \$136.48 to \$161.29 per sq. ft. The main floor average of these comparables was \$151.82 per sq. ft. while the total floor space average was \$148.70 per sq. ft. (C-3a10, page 12).

The Complainant argued that the indicated value of the subject is \$148.68 per sq. ft. and based on this value requested a reduction of the assessment to \$2,260,000.

POSITION OF THE RESPONDENT

The Respondent presented six sales comparables ranging in value from \$169.98 to \$222.92 per sq. ft. Comparables # 3, # 4 and # 5 were considered the best comparables at \$178.66, \$169.98 and \$192.95 per sq. ft. respectively.

The Respondent also presented eight equity comparables in support of his position that the assessment is fair and equitable. Six of these had comparable building area and site coverage as the subject and ranged in value from \$176.76 to \$195.68 per sq. ft.

DECISION

The decision of the Board is to confirm the assessment at \$2,831,000.

REASONS FOR THE DECISION

The Board is of the opinion that when determining a question of fairness and equity alone, the assessment equity comparables must meet a high standard of comparability.

The Complainant's equity comparables were older than the subject, other than comparable # 5 built in 2006 and assessed at \$161.29 per sq. ft. This comparable is similar to the subject in terms of year built and site coverage but had a much larger building area which has the effect of reducing the per sq. ft. value.

The Respondent's sales comparables # 3 and # 5 were of similar lot size and building area, though somewhat older than the subject, and had time adjusted sale prices of \$178.66 and \$192.95 per sq. ft. respectively.

The Board is of the opinion that the value range of both parties' comparables from \$161 to \$192 per sq. ft. supports the assessment at \$186.25 per sq. ft. and therefore confirms the assessment.

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
Paragon Investments Ltd.