



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 418/10

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 10008267	Municipal Address 9412 51 Avenue NW	Legal Description Plan: 0323387 Block: 19 Lot: 5B
Assessed Value \$4,260,500	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

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 1998 and located in the Parsons Industrial subdivision of the City of Edmonton. The building has a total building area of 25,500 square feet with 28% 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 issues remained for the Board to decide:

- Does the subject property require an adjustment for irregular shape?
- What is the typical market value of the subject property?
- 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 argued that the subject property due to its irregular shape (approximately 100 ft. wide), would only accommodate a specific style building (warehouse) with a very low site coverage (18%), as the shape of the property limits the use of the total property.

The Complainant argued that properties with a normal shape tend to sell for more than those with irregular shapes. In support of this argument, the Complainant presented six vacant land sales indicating a difference in value per sq. ft. in normal shape parcel to irregular shape parcels. The normal shape parcels indicate values of \$16.50, \$23.01 and \$23.02 per sq. ft. (all properties smaller than subject). The three irregular shape parcels indicate values of \$13.34, \$11.89 and \$15.53 per sq. ft. (two smaller and one larger than the subject).

The Complainant submitted that an amount of \$792,647 derived by applying \$7.25 per sq. ft. to the estimated land excess of 109,254 square feet should be deducted from the assessment of the subject as shape adjustment. This figure (\$7.25 per sq. ft.) is obtained by calculating the difference between the average values of normal shape lots (\$20.84 per sq. ft.), and irregular shape lots (\$13.59 per sq. ft.).

Further, the Complainant presented four sales comparables ranging in value from \$152.85 to \$170.55 per sq. ft., in addition to four equity comparables ranging in value (adjusted) from \$168.55 to \$189.84 per sq. ft.

POSITION OF THE RESPONDENT

The Respondent argued that the subject is a rectangular parcel similar to others in the area and that no value consideration was required. The Respondent further argued that the irregular shape land sales presented by the Complainant have little to no similarity to the subject, in that two of the comparables are former rail spurs and the other property has restricted covenant, wherein no evidence was provided.

The Respondent provided six direct sales comparables ranging in value from \$178.66 to \$229.92 per sq. ft. Sales comparables # 4, # 5 and # 6 with similar site coverage had values of \$192.95, \$229.92 and \$180.25 per sq. ft. respectively.

In support of his argument that the assessment is fair and equitable, the Respondent also provided eight equity comparables ranging in value from \$181 to \$205 per sq. ft. similar in site coverage, building size and age to the subject.

DECISION

The decision of the Board is to confirm the assessment at \$4,260,500.

REASONS FOR THE DECISION

The Board is of the opinion that the subject parcel is not irregular in shape and requires no value adjustment.

The Board agrees that there are many such rectangular lots within the area which accommodate functioning warehouse facilities adequately.

Further, the Board analyzed the sales and equity comparisons presented by both parties and found that the Complainant's direct sales, eliminating sale # 4 (N.A.L.) would support the current value of \$184.96 per sq. ft. In addition, the Complainant's equity comparables after adjustments indicate values of \$168.55 to \$189.84 per sq. ft. which also support the assessment.

The Respondent's sales comparables with similar site coverage as the subject ranged in value from \$181 to \$205 per sq. ft., indicating the subject falls well within the range of most comparable properties.

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
Arnico Holdings (Alberta) Ltd.