



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
EDMONTON, ALBERTA T5J 2R7
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NOTICE OF DECISION NO. 0098 42/10

CANADIAN VALUATION GROUP
1200, 10665 JASPER AVENUE
EDMONTON AB T5J 3S9

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 on July 12, 2010 respecting a complaint on the 2010 Annual New Realty Assessment.

Roll Number 1117837	Municipal Address 21103 107 Ave. NW	Legal Description Plan 7621294 Block 6 Lot 5
Assessed Value \$671,000	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

PRELIMINARY MATTERS

Both parties indicated that submissions and arguments from tax roll #1117522 which are common to both accounts were to be carried forward.

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 3,999 sq. ft. and a site coverage of eight percent. The direct comparison sales data approach to market value was used in determining the estimate of assessed value.

ISSUES

1. 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?



2. Is the assessment of the subject property equitable when compared with the assessments 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 his position that a reduction in the assessment of the subject property was appropriate, the Complainant submitted three sales comparables for the Board's consideration. All three comparables were in the northwest portion of Edmonton. The building sizes of the comparables ranged from 5,000 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 two 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 similar to 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 also provided assessment figures for his sales comparables which showed, he argued, that the assessed value of the subject at \$167.79 was excessive. (Exhibit C-1 page 1)
5. The Complainant presented the Board with a chart of the assessments of the Respondent's sales comparables, showing assessment-to-sales ratios ranging from 0.63 to 1.49. (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 were outside the acceptable range.
6. The Complainant requested that a fair assessed value for the subject property should be based on \$125.00 per sq. ft. for a total assessment of \$499,500.

POSITION OF THE RESPONDENT

1. The Respondent took the position that the assessment was fairly completed, and in support of this position, five sales comparables were presented for the Board's consideration. (Exhibit R-1, page 16)

2. The Respondent indicated to the Board that all of these comparables were located in the Winterburn area. He noted further that all of these comparables were rated as being in “average” condition, as was the subject property.
3. The Respondent argued that the average price per square foot of his sales comparables was \$186.25 and that the assessment per square foot of the subject property at \$167.80, was within an acceptable range.
4. The Respondent supplied further support to his argument that the 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 21) The average assessment per square foot of these six equity comparables was \$173.49, while the assessment per square foot for the subject property at \$167.80 was within an acceptable range.

FINDINGS

1. The Board finds that the assessed value per square foot of the subject property is overstated.
2. The Board finds that the assessment of the subject property is not fair and equitable when compared to assessments of similar properties.

DECISION

Having considered the arguments, evidence, and submissions of the parties, the complaint is allowed.

REASONS FOR THE DECISION

1. The Board places most weight on the assessment-to-sales ratio chart of the Respondent’s sales comparables as presented by the Complainant in exhibit C-2 and 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 and, therefore, the assessment is not fair and equitable.
2. 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 his calculations for adjustments made.
3. The Board concluded that the Complainant has shown that the assessment of the subject property is not correct and that the \$125 per sq. ft. value is reasonable in calculating the final assessed value.

Accordingly, the assessed value of the subject property is reduced from \$671,000 to \$499,500.

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
Ironwood III Assets Inc.