



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 422/10

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 10067841	Municipal Address 5603 48 Street NW	Legal Description Plan: 0627094 Block: 23 Lot: 2
Assessed Value \$5,169,500	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

Joel Schmaus, 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 2008 and located in the Pylypow Industrial subdivision of the City of Edmonton. The property has a building area of 28,843 sq. ft. including finished mezzanine area of 2,551 sq. ft. Site coverage for the property is 23%.

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 assessment comparables ranging in value from \$136.48 to \$161.29 per sq. ft. The average assessment value was \$152.79 per sq. ft. on main floor space only, and \$149.75 per sq. ft. on total floor space.

Comparables # 1 and # 5 were considered the best comparables at \$136.48 per sq. ft. and \$161.29 per sq. ft. respectively. Both are similar in site area, site coverage and building size to the subject although somewhat older at 2000 and 2006 respectively.

The Complainant argued that when compared to the equity comparables presented the assessment of the subject is too high and requested a reduction to \$4,319,000, or \$149.74 per sq. ft.

POSITION OF THE RESPONDENT

The Respondent submitted seven equity comparables ranging from \$180 to \$224 per sq. ft. Comparables # 1 to # 4 are similar in size, land area and site coverage to the subject but somewhat older at 2002 to 2004.

The Respondent argued that the range indicated by the equity comparables presented supports the assessment, and requested confirmation of the assessment at \$5,169,500.

DECISION

The decision of the Board is to confirm the assessment at \$5,169,500.

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 Board upon review of the equity comparables presented by both parties is of the opinion that a range in values can be established from \$136 to 224 per sq. ft. The subject is at \$179 per sq. ft.

Most of the comparables presented by both parties were older than the subject, while others required various adjustments as to size, cost and other comparability factors, not fully analyzed by the Complainant or the Respondent.

The Board is persuaded toward the upper end of the range of both parties' comparables as these have the most similarity to the subject.

Therefore the Board confirms the assessment at \$5,169,500.

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
IXL Properties Limited