



## **ASSESSMENT REVIEW BOARD**

MAIN FLOOR CITY HALL  
1 SIR WINSTON CHURCHILL SQUARE  
EDMONTON AB T5J 2R7  
(780) 496-5026 FAX (780) 496-8199

### **NOTICE OF DECISION NO. 0098 423/10**

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:

<b>Roll Number</b> 10100341	<b>Municipal Address</b> 2603 76 Avenue NW	<b>Legal Description</b> Plan: 0729253 Block: 1 Lot: 1
<b>Assessed Value</b> \$20,778,000	<b>Assessment Type</b> Annual – New	<b>Assessment Notice for:</b> 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 large warehouse built in 2007 and located in the Southeast (Annexed) Industrial subdivision of the City of Edmonton. The property has a building area of 153,230 square feet with 16% 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:

- Is the assessment of the subject property reflective of market value based on comparable sales?
- 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**

In support of his position that the assessment of the subject was not correct based on sales of comparable properties, the Complainant presented a chart of three sales (C-3a20, page 12). He indicated to the Board that # 1 was larger and had a different site coverage and location while # 3 was located in a different area of Edmonton than the subject. Later in his presentation, the Complainant indicated that sale of comparable # 2 should be disregarded as well, as not being a valid sale.

With respect to the issue of the fairness of the assessment of the subject when compared with the assessments of similar properties, the Complainant presented a chart of four equity comparables (C-3a20, page 14). He indicated that # 4 was much smaller than the subject, thereby making comparability less valuable.

The Complainant requested that the Board reduce the assessment of the subject by applying a value of \$118 or \$120 per sq. ft. to the subject. This value was derived from the value per sq. ft. of his equity comparable # 3 which the Complainant stated was the best indicator of value.

## **POSITION OF THE RESPONDENT**

The Respondent provided a chart of 14 sales of comparable properties for the consideration of the Board (R-3a20, page 14). The Respondent submitted that these comparables were of little assistance in establishing value since they varied widely from the subject in terms of size, age and finished office space.

The Respondent provided a chart of equity comparables to the Board (R-3a20, page 22). He stated that these comparables were of little assistance in establishing value for the subject since they varied widely from the subject in size and age. The Respondent noted that for both the sales and equity charts provided, attempts had been made to provide comparables with a low site coverage to match the 16% site coverage of the subject.

The Respondent requested that the Board confirm the current assessment of the subject at \$20,778,000.

## **DECISION**

The decision of the Board is to confirm the assessment of the subject at \$20,778,000.

## **REASONS FOR THE DECISION**

The Board acknowledges that the low 16% site coverage of the subject is an important factor in establishing value for the subject. The Board notes that the Respondent has chosen sales and equity comparables that share this characteristic of low site coverage. However, the comparables differ widely from the subject in most other aspects, making comparability difficult.

It is however the responsibility of the Complainant to present sufficient evidence to raise a doubt as to the validity of the assessment. In the opinion of the Board, the Complainant failed to do

this, both in terms of the evidence presented in support of his argument that the assessment is not correct based on comparable sales, and in support of his argument that the assessment is not correct based on assessments of comparable properties.

In terms of the Complainant's sales comparables, the Complainant presented three. The Board was advised that only one would provide assistance in determining value for the subject and that one comparable was later determined not to be valid. Therefore, the Board was left with no evidence as to comparable sales from the Complainant.

With respect to the issue of the fairness of the subject assessment when compared with similar properties, the Complainant provided five equity comparables. None of these comparables was close to the subject in terms of site coverage.

For the above reasons, the Board concludes that the Complainant failed to discharge his responsibility of showing the assessment of the subject to be incorrect and inequitable and accordingly, the assessment is confirmed.

### **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.

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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.*

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CC: Municipal Government Board  
Concert Real Estate Corporaton