



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 427/10

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 1313022	Municipal Address 14715 114 Avenue NW	Legal Description Plan: 3628TR Block: 3 Lot: 9/10
Assessed Value \$4,283,500	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

Marty Carpentier, Assessor
Aleisha Bartier, 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 1981 and located in the Huff Bremner Estate Industrial subdivision of the City of Edmonton. The property has a gross building area of 58,792 square feet with some finished upper level space and site coverage of 41%.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. However, most of those issues had been abandoned and the issue left to be decided was as follows:

- Is the assessment fair and equitable since the subject property sold for less than the current assessment?

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 to the Board details of the sale of the subject property (C-3a99, page 9). The subject property sold in August, 2006 for a time adjusted sale price of \$69.13 per sq. ft. He argued that the sale of the subject property was the best indicator of value for the subject and that the time adjusted sale price of \$69.13 per sq. ft. ought to be applied to the subject to give a value of \$4,064,000 for the current assessment. The Complainant indicated that the time adjustment model developed by the Complainant was used in his calculations.

The Complainant submitted that if the time adjustment model used by the Respondent were used, the resulting value for the assessment of the subject would be \$3,717,000.

The Complainant requested that the Board reduce the assessment of the subject to \$4,064,000.

POSITION OF THE RESPONDENT

The Respondent argued that the Complainant had only used the sale of the subject to support his argument and had not provided any other sales data. The Respondent provided a chart of four sales of comparable properties (R-3a99, page 19). Of these comparables, he indicated that # 1 was larger than the subject, # 2 was older, # 3 was slightly smaller and # 4 was located on a major roadway, unlike the subject. The range of time adjusted sale price was from \$88.45 to \$104.60 per sq. ft. The assessment of the subject was \$72.85 per sq. ft.

The Respondent also provided a chart of nine equity comparables (R-3a99, page 24). The average assessment of these comparables was \$76.50 per sq. ft.

The Respondent submitted to the Board that these sales and equity comparables supported the assessment of the subject and requested the Board to confirm the assessment of the subject at \$4,283,500.

DECISION

The decision of the Board is to reduce the assessment of the subject to \$3,717,000.

REASONS FOR THE DECISION

The Board is of the opinion that the sale of the subject property is the best indicator of its value. This has been established in previous court decisions. The Board did not hear any evidence that the sale of the subject was flawed or unreliable in any way. Therefore, the Board accepts the Complainant's argument that the assessment of the subject should reflect its time adjusted sale price.

With respect to the Complainant's request that the assessment of the subject be the Complainant's time adjusted sale price of \$4,064,000, the Board has determined that the time adjustment model developed by the Respondent is the appropriate model to be used. The reasons for this determination are set out in the paragraph concerning Preliminary Matters above. For this reason, the Board is of the opinion that the time adjusted sale price of the subject, as calculated by the Respondent's model, at \$3,717,000 is the correct and equitable value for the subject.

Therefore, the Board concludes that the adjustment of the subject should be reduced to \$3,717,000.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 10th day of November, 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
1249314 Alberta Ltd.