



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION 0098 43/10

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THE CITY OF EDMONTON
ASSESSMENT AND TAXATION BRANCH
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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 1350735	Municipal Address 100169 167 St. NW	Legal Description Plan 8175ET Block 36 Lot 16 et al.
Assessed Value \$1,627,500	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

PROPERTY DESCRIPTION AND BACKGROUND

The subject property is an 18,967 sq. ft. office/warehouse building constructed in 1978 and located in the Glenwood neighbourhood of Edmonton. The building includes 9,644 sq. ft. of office space on its two floors. Site coverage of the subject property is 58 percent. The subject assessment equates to a building per square foot rate at \$86.81.

ISSUE

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?



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 six sales comparables for the Board's consideration. All six comparables were in the same area of Edmonton. The building size of the comparables ranged from 15,062 sq. ft. to 26,200 sq. ft. while the site coverages ranged from 15% to 41% .
2. The Complainant indicated that one of the sales took place in 2008 and that he had time-adjusted these sale prices by a factor of 1% per month. He noted for the Board that three of the sale transactions took place after the July 1, 2009 valuation date, but submitted that it would be reasonable for the Board to consider these sales in establishing value for the subject property.
3. The Complainant submitted that he had made a detailed calculation to account for the abnormally high site coverage occupied by the subject property and had adjusted the comparables to account for this factor. (Exhibit C-1 page 1-2)
4. The Complainant indicated that his comparable sales #4 and #5 were the best indicators of value for the subject property.
5. The Complainant also advised the Board that the Respondent's sales comparables #1 and #2 were very similar in characteristics to the subject property and showed a time-adjusted sale price of approximately \$80.00 per square foot.
6. The Complainant requested that a fair assessed value for the subject property should be based on \$80.00 per sq. ft. for a total assessment of \$1,517,000.

POSITION OF THE RESPONDENT

1. The Respondent took the position that the assessment was fair and equitable, and in support of this position, five sales comparables were presented for the Board's consideration. (Exhibit R-1, page 17)
2. The Respondent argued that the average price per square foot of his sales comparables was \$100.20 and that the assessment per sq. ft. of the subject property, at \$85.81 was within an acceptable range.

3. 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 22) The average assessment per square foot of these eight equity comparables was \$94.09 while the assessment per sq. ft. for the subject property at \$85.81 was within an acceptable range

FINDINGS

The Board finds that the assessed value per square foot of the subject property is overstated.

DECISION

Having considered the evidence, argument, and submissions as presented during the hearing, the complaint is allowed.

REASONS FOR THE DECISION

1. The Board accepts the Complainant's argument that two of the Respondent's sales comparables actually supports the Complainant's submission that an appropriate value per sq. ft. of the subject property would be \$80.00.
2. The Board is persuaded by the Complainant's calculations in making adjustments to his sales comparables for the differences in site coverage. The Board noted that the Respondent was 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 \$80.00 per square foot value for the subject property is reasonable in calculating the final assessed value.

Accordingly, the assessed value of the subject property is reduced from \$1,627,500 to \$1,517,000.

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 and Taxation Branch
Anexco Properties Ltd