



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 44/10

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 an appeal on the 2010 Annual New Realty Assessment.

Roll Number 2194504	Municipal Address 14520 118 Avenue NW	Legal Description Plan 5951KS Block 2 Lot 21
Assessed Value \$1,259,000	Assessment Type Annual New	Assessment Year 2009

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

This file is cross-referenced to the evidence, argument and submissions presented during the hearing for tax roll # 1350735

PROPERTY DESCRIPTION AND BACKGROUND

The subject property is a 12,749 sq. ft. office/warehouse built in 1965 and located in the Dominion Industrial neighbourhood. The current assessment of \$1,259,000 equates to \$98.75 per sq. ft.

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 12,500 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 time-adjusted the first two sales 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 pages 1-2)
4. The Complainant stated that his sales comparables #4 and #5 were the most appropriate in considering the value placed on the subject property, while acknowledging that sales comparable #4 was "vastly newer".
5. The Complainant also advised the Board that the Respondent's sales comparable #1 was similar in characteristics to the subject property and showed a time-adjusted sale price of approximately \$86.00 per sq. ft.
6. The Complainant requested that a fair assessed value for the subject property should be based on \$90.00 per sq. ft. for a total assessment of \$1,147,000.

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 proposed that the average price per square foot of his sales comparables was \$107.46 and that the assessment per sq. ft. of the subject property, at \$98.75, 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 23) The average assessment per square foot of these ten equity comparables was \$110.03 which supports the \$98.75 assessment per square foot of the subject property as 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 of the parties 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 \$90.00.
2. The Board is persuaded by the Complainant's calculations in making adjustments to his sales comparables to account 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 \$90.00 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 \$1,259,000 to \$1,147,000.

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
River Bend Holdings Ltd.

