



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 444/10

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 4149266	Municipal Address 11610 178 Street NW	Legal Description Plan: 9021777 Block: 4 Lot: 11
Assessed Value \$3,614,500	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

Kevin Xu, 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 medium warehouse built in 1997 and located in the Edminston Industrial subdivision of the City of Edmonton. The property has a total building area of 26,045 square feet with site coverage of 26%.

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:

- What is the typical market value of the subject property?

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 two direct sales comparables, one of which was the sale of the subject in June 2009 for \$91.19 per sq. ft., which the Complainant argued is the best indicator of market value.

The other comparable sale in July 2009 at 17803 – 118 Avenue indicates a value of \$115.97 per sq. ft., and was considered by the Complainant as superior to the subject in terms of location and size.

POSITION OF THE RESPONDENT

The Respondent presented six direct sales comparables ranging in value from \$139.91 to \$193.62 per sq. ft. with an average of \$163.74 per sq. ft.

The Respondent further presented seven equity comparables ranging from \$128.02 to \$159.65 per sq. ft. with an average of \$141.79 per sq. ft.

The Respondent presented a Market Valuation Summary which indicated that the sale of the subject property was under duress, and that the sale did not reflect market value.

Further, the Respondent argued that the size of the Complainant's sale comparable at 17803 – 118 Avenue was incorrectly stated as 18,237 square feet and should be 15,426 square feet as shown on the Complainant's network evidence. This change in square footage would indicate a value of \$137.10 per sq. ft. rather than \$115.97 per sq. ft. as stated, which would support the assessed value of \$138.78 per sq. ft.

DECISION

The decision of the Board is to confirm the current assessment at \$3,614,500.

REASONS FOR THE DECISION

In regard to the sale of the subject, the Board did not receive sufficient evidence from the Complainant as to the validity of this sale. The Market Valuation Summary presented by the Respondent appeared to the Board as a valid investigation into the sale.

In regard to the correct square footage of the Complainant's sale at 17803 – 118 Avenue, the Complainant's own evidence indicates the square footage at 15,426 square feet indicating a value of \$137.10 per sq. ft. close to the subject value at \$138.78 per sq. ft.

In regard to the sales evidence of the Respondent, sales comparables # 1 and # 2 at \$151 and \$146 per sq. ft. respectively appear to support the current assessed value of \$138.78 per sq. ft. Both are somewhat older than the subject but with similar site coverage and close in terms of size, with no second floor space.

The Board also reviewed the equity comparables presented by the Respondent, and found that the equity values for comparables # 1, # 6 and # 7 similar in age, site coverage, size and location appear to support the assessed value of \$ 138.78 per sq. ft.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 4th 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
Kootenay Holdings Ltd.