



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 449/10

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 8888166	Municipal Address 6303 Wagner Road NW	Legal Description Plan: 6214NY Block: 19 Lot: 2
Assessed Value \$2,158,500	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

Chris Buchanan

Persons Appearing: Respondent

Suzanne Magdiak, Assessor
Cherie Skolney, Assessor
Tanya Smith, 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 located in the Davies Industrial West subdivision of the City of Edmonton. The building was constructed in 1971 and has a gross building area of 18,517 square feet. The site coverage is 34% and there is no finished upper floor space.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. Most of those issues were abandoned and the remaining issues to be decided were as follows:

- Based on comparable sales, is the assessment deemed to be reflective of market value?
- When compared to comparable property assessments, is the subject property's assessment equitable?

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 2010 assessment of the subject was not correct based on comparable sales, the Complainant provided a chart of the sales of five comparable properties (C-3uu, page 12). All these comparables were interior lots, similar to the subject. The average time adjusted price of these comparables was \$98.83 per sq. ft., compared to the assessment of the subject at \$116.57 per sq. ft.

In support of his position that the assessment of the subject was not equitable in view of the assessments of comparable properties, the Complainant provided a chart of six equity comparables (C-3uu, page 14). All these comparables were interior lots, similar to the subject. The average assessment value of these comparables was \$99.29 per sq. ft., compared with the assessment of the subject at \$116.57 per sq. ft.

The Complainant submitted to the Board that the best indicator of value of his comparables was his sales comparable # 3. He submitted further that the evidence he had presented indicated that the assessment of the subject was not based on market value and was not equitable. He requested that the Board reduce the assessment of the subject to \$1,830,000. This was based on his submission that the average price per square foot of his sales comparables at \$98.83 ought to be applied to the building area of 18,517 square feet (C-3uu, page 13).

POSITION OF THE RESPONDENT

The Respondent submitted to the Board a chart of eight sales comparables in support of his position that the assessment of the subject was at market value (R-3uu, page 18). The range of time adjusted sale price values per sq. ft. of these comparables was from \$117.26 to \$182.60. He submitted that the assessment of the subject at \$116.57 per sq. ft. for the main floor area was well within this range.

The Respondent also provided to the Board a chart of equity comparables in support of the position that assessments of similar properties supported the assessment (R-3uu, page 27). He noted to the Board that # 9 comparable ought to be withdrawn as it was the subject property. He argued that the range of assessments per square foot of these comparables from \$113 to \$128 supported the assessment of the subject.

The Respondent requested the Board to confirm the assessment of the subject property at \$2,158,500.

DECISION

The decision of the Board is to reduce the assessment of the subject to \$1,870,000.

REASONS FOR THE DECISION

The Board notes that of the Complainant's sales comparables, there was evidence that # 2 comparable was in "fair" condition while the subject was rated as being in "average" condition.

There was no other evidence as to the condition of the Complainant's comparables. Comparable # 1 was much smaller in size than the others. However, the Board notes that the last three of the Complainant's sales comparables, in particular # 3, are similar to the subject. As noted above in Preliminary Matters, the Board is of the opinion that the Respondent's time adjustment factors are the correct figures to be used. If the time adjustment factors used by the Respondent are applied to the time adjustment calculations for comparable # 3, the time adjusted sale price of that comparable is \$102.15 per sq. ft. If the Respondent's time adjustment figures are used for the Complainant's last three comparables, an approximate average value of \$101 per sq. ft. is obtained. The Board concludes that it would be appropriate to apply this value of \$101 per sq. ft. to the subject.

With respect to the equity comparables provided by the Complainant, the Board notes that while three of the six comparables have finished upper floor space and are therefore of limited reliability in establishing value, the remaining comparables support a reduced assessment for the subject.

The Board is therefore of the opinion that the Complainant has raised doubt as to the correctness of the assessment. With respect to the Respondent's response, the Board notes that three of the Respondent's comparables are on major roadways. The Respondent's # 1, # 3, # 5 and # 8 comparables have significant finished upper floor space and the remaining comparables exhibit a wide range of site coverage. These factors make the sales comparables supplied by the Respondent of limited value in establishing value for the subject. Similarly, with respect to the equity comparables provided by the Respondent, some are on major roadways, some are larger in size and some have finished upper floor space.

For these reasons, the Board is of the opinion that the Respondent has not provided sufficient evidence to dispel the doubt raised by the Complainant concerning the correctness of the assessment of the subject. Accordingly, the Board concludes that the assessment of the subject should be reduced to \$1,870,000 based on a value of \$101 per sq. ft. for the subject property.

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.

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
Paragon Investments Ltd.