



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
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NOTICE OF DECISION NO. 0098 45/10

CANADIAN VALUATION GROUP
1200, 10665 JASPER AVENUE
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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 an appeal on the 2010 Annual New Realty Assessment.

Roll Number 9974956	Municipal Address 14630 Yellowhead Trail	Legal Description Plan 9926308 Block A Lot 8A
Assessed Value \$5,692,000	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 consists of two office/warehouse buildings containing a total of 49,136 sq. ft. (9,000 square feet of office) built in 1968 and 1970, with the latter having an effective age of 1985 for assessment purposes. This property is located in Brown Industrial neighbourhood. The site coverage for the subject property is 16%. The current assessment of \$5,692,000 equates to \$115.84 per sq. ft.

ISSUES

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?

Is the current assessment of the subject property fair and equitable with regard to the assessments of similar 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. Three of those six comparables were in the southern portion of Edmonton, while the remaining comparables were in the north-west portion, the same location as the subject property. The building sizes of the comparables ranged from 35,258 sq. ft. to 70,567 square feet. The building site coverages ranged from 31% to 52% . The ages of the comparables ranged from 29 to 48 years. (Exhibit C-1, page 1)
2. The Complainant indicated that one of the sales took place in 2008 and four of the others took place prior to the July 1, 2009 valuation date. He time-adjusted these sale prices by a factor of 1% per month. He submitted that he did not make any detailed calculations for other adjustments made regarding other characteristics of the comparables.
3. The Complainant stated that his sales comparables #3 and #5 were the most appropriate in considering the value placed on the subject property.
4. The Complainant presented the Board with a chart of the Respondent's sales comparables, showing assessment to sales ratios. (Exhibit C-2, page 2) He argued that this chart demonstrated that the sales comparables presented by the Respondent were not appropriate in establishing value for the subject property since the assessment to sale ratios were outside the acceptable range.
5. 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 \$4,422,000.

POSITION OF THE RESPONDENT

1. The Respondent took the position that the assessment was fairly completed and, in support of this position, six sales comparables were presented for the Board's consideration. (Exhibit R-1, page 20)
2. The Respondent submitted that the average price per sq. ft. of his sales comparables was \$135.80 and that the assessment per sq. ft. of the subject property, at \$115.84, was within an acceptable range.

3. The Respondent supplied further support to his submission 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 27) The average assessment per sq. ft. of these four equity comparables was \$122.76, while the assessment per sq. ft. for the subject property, at \$115.84, was within an acceptable range.
4. The Respondent argued that many of the sales comparables presented by the Complainant were located in a completely different area of Edmonton and were therefore not good comparables. As well, he pointed out that the site coverages of the Complainant's comparables were vastly different from the site coverage occupied by the subject property.

FINDINGS

The Board finds that the assessed value per square foot of the subject property is not overstated.

The Board finds that the current assessment of the subject property is fair and equitable when compared with the assessments of similar properties.

DECISION

Having considered the arguments, evidence and submission of the parties brought forward during the hearing, the complaint is denied.

REASONS FOR THE DECISION

1. The Board accepts the Respondent's argument that many of the Complainant's sales comparables fall outside the location of the subject property, making a comparison less valuable. As well, the Board notes that the site coverages of these comparables vary widely from the low site coverage of 16% of the subject property to as high as 52%. The Complainant did not present his calculations in making adjustments to the comparables for these characteristics, but the major adjustment required makes the proposed value for the subject property less reliable.
2. The Board noted that two of the Respondent's sales comparables are only about half the size of the subject property, thereby requiring an adjustment that makes the proposed value for the subject property less reliable.
3. The Board notes that the assessment-to-sale ratio chart of the Respondent's sales comparables, as presented by the Complainant, casts some doubts on those sales comparables.
4. However, the Board notes that it is the responsibility of the Complainant to prove that the assessment of the subject property is not correct. The Board is not convinced that the sales comparables presented by the Complainant shows the assessment to be too high.

Accordingly, the assessed value of the subject property is confirmed at \$5,692,000.

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 & Taxation Branch
N & T Properties Ltd.