



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 450/10

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 9547159	Municipal Address 4625 92 Avenue	Legal Description Plan: 3597NY Block: 1 Lot: A
Assessed Value \$3,934,500	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

Joel Schmaus, 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 1974 and located in the Lambton Industrial subdivision of the City of Edmonton. The property has a total building area of 41,532 square feet with site coverage of 28%.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. However, most of those issues were abandoned and only the following issues remained for the Board to decide:

- Is the assessment of the subject property reflective of market value based on comparable sales?
- Is the assessment of the subject property fair and equitable in comparison with 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

In support of his position that sales of comparable properties showed that the assessment of the subject was not correct, the Complainant presented four sales comparables for the consideration of the Board (C-3,a,18, page 12). He did indicate to the Board that the sales comparables # 1 and # 4 were not good sales and advised the Board to disregard these sales. The average value of the four sales was \$53.49 per sq. ft. while the assessment of the subject was \$94.73 per sq. ft.

In support of his position that the assessment of the subject was inequitable, the Complainant presented a chart of five equity comparables (C-3, a, 18, page 14). The average assessment of these comparables was \$77.41 per sq. ft.

The Complainant requested that the Board reduce the assessment of the subject to \$2,221,500 based on applying a value of \$53.49 per sq. ft. to the subject.

POSITION OF THE RESPONDENT

The Respondent presented four sales comparables to the Board (R-3a, 18, page 18). He indicated to the Board that of these comparables, none was comparable to the subject in terms of size and that only one had finished second floor space, similar to the subject. He submitted to the Board that, since the comparability of these properties to the subject was limited, not much weight should be placed on these sales comparables.

The Respondent also presented a chart of twenty one equity comparables for the Board's consideration (R-3a18, page 23). Of these numerous comparables, he indicated to the Board that only # 2,# 7, # 12, # 14, # 19, and # 20 were of assistance in establishing value for the subject and that even these comparables would have to be adjusted for age, site coverage, second floor finish. He indicated that comparable # 14 would be the easiest to adjust although it was smaller than the subject and did not possess second floor finish.

The Respondent requested that the Board confirm the assessment of the subject.

DECISION

The decision of the Board is to confirm the assessment of the subject at \$3,934,500.

REASONS FOR THE DECISION

It is the responsibility of the Complainant to establish to the Board that it is probable that the assessment of the subject is incorrect or inequitable.

In particular, with respect to the issue of the correctness of the assessment in reference to the sales of comparable properties, the Board notes that of the four sales comparables provided by the Complainant, three are to be disregarded. The Complainant advised the Board to disregard # 1 and # 4 and in argument also advised that there were also problems with # 2. With respect to the remaining sales comparable # 3, it was pointed out during argument that it was encumbered with below market leases which might well have been a factor in the sales price.

With respect to the issue of the fairness and equity of the assessment in relation to the assessments of similar properties, of the Complainant's five equity comparables, there were problems with # 3 and # 5 which would make comparability less valid. Of the remainder, one was smaller and did not have finished upper level space and all were smaller than the subject and had different site coverages.

In the Board's view, the Complainant did not establish, either on the issue of the correctness of the assessment based on sales nor on the issue of the fairness of the assessment based on comparable assessments, that there was a doubt as to the validity of the assessment.

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
SREIT (Quest Capilano) Ltd.