



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 457/10

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 9976783	Municipal Address 2103 64 Avenue NW	Legal Description Plan: 0020014 Block: 3 Lot: 22
Assessed Value \$19,657,000	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 large warehouse built in 2001 and located in the Southeast (annexed) Industrial subdivision of the City of Edmonton. The property has a total building area of 261,535 square feet including finished mezzanine area of 9,100 square feet. The site coverage of the subject is 41%.

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

The Complainant argued that the sale of the subject property close to the valuation date of July 1, 2009 is the best indicator of value. Applying the Complainant's time adjustment to the sale which occurred in May, 2009 indicates a value of \$18,012,500.

POSITION OF THE RESPONDENT

The Respondent argued that the subject property when sold had a 60,000 square feet vacancy. The large vacancy may have a downward effect on the sale price, thus not representing market value.

The Respondent presented five sales comparables ranging in value from \$70 to \$127 per sq. ft. in addition to five equity comparables ranging in value from \$67 to \$100 per sq. ft.

The Respondent argued that the comparables presented support the assessment of the subject at \$70 per sq. ft. and requested confirmation of the assessment.

DECISION

The decision of the Board is to reduce the assessment to \$18,271,000.

REASONS FOR THE DECISION

The Board is of the opinion that the sale of the subject in May, 2009 represents the best indicator of typical market value.

The Board concludes that applying the Respondent's time adjustment factor to the sale indicates a value of \$18,271,000. The Board therefore reduces the assessment accordingly.

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
Gregg Properties Co. Ltd.