



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 458/10

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 9987036	Municipal Address 10918 186 Street NW	Legal Description Plan: 0120481 Lot: 6
Assessed Value \$6,280,500	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

Steve Radenic, 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 trucking terminal built in 2005 and located in the White Industrial subdivision of the City of Edmonton. The property has a total building area of 29,638 square feet with site coverage of 8%.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. However, most of those issues had been abandoned and the issues left to be decided were as follows:

- Since the subject is a trucking terminal, should it be assessed on a cost basis?
- Does the cost valuation of the subject indicate a value lower than the current assessment?
- When compared to the most 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

The Complainant argued that the subject was a trucking terminal and should be valued on cost. He referred to information from Marshall and Swift (C-3a73, page 34-35). He also referred the Board to sales of land which indicated a time adjusted sale price of \$12.72 per sq. ft. for the land (C-3a73, page 9).

When the resulting value of the land at \$12.72 per sq. ft is added to the value of the improvement, the value for the subject that the Complainant requested was \$5,816,500.

With respect to sales of comparable properties, the Complainant indicated that this was a unique property and that there had only been one comparable sale in the last 3 ½ years.

The Complainant presented a chart of five equity comparables. The average of these comparables was \$84.94 per sq. ft. which would result in a value for the subject of \$5,481,000.

POSITION OF THE RESPONDENT

The Respondent presented a chart of five sales comparables which showed an average time adjusted value of \$229.01 per sq. ft. The assessed value of the subject was \$211.91 per sq. ft. (R-3a73, page 17).

The Respondent also presented a chart of seven equity comparables which showed an average value of \$216.55 per sq. ft.

The Respondent requested that the Board confirm the assessment of the subject at \$6,280,500.

DECISION

The decision of the Board is to confirm the assessment at \$6,280,500.

REASONS FOR THE DECISION

With respect to the issue brought forward by the Complainant that the subject should be assessed on a cost basis, the Board notes that the Complainant did not provide any evidence to the Board that other trucking terminals were assessed on a cost basis.

With respect to the issue raised by the Complainant that the assessment of the subject would exceed the value if it were valued on a cost basis, the Board heard evidence that the Complainant had not included the value of net items in his estimation of value of the subject on a cost basis. The Complainant indicated that if these items were included, the value on a cost basis would be within 5% of the assessed value of the subject.

The Board notes that sales of comparable properties were not an issue as the Complainant indicated that there were no or very few sales of comparable properties.

With respect to the issue of equity, the Board is not persuaded by the equity comparables brought forward by the Complainant. The Board heard evidence that equity comparable # 2 has three

buildings on site which makes it less comparable to the subject. As well, comparable # 3 was deemed to be an outlier while comparable # 5 supported the assessment.

The Board therefore concludes that the Complainant has not met the onus of showing the assessment to be incorrect or inequitable. In addition, the evidence produced by the Respondent supports the assessment of the subject.

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
Quik X Properties Inc.