



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
EDMONTON AB T5J 2R7
(780) 496-5026 FAX (780) 496-8199

NOTICE OF DECISION NO. 0098 459/10

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 10004189	Municipal Address 7003 Roper Road	Legal Description Plan: 0227727 Block: 9 Lot: 11
Assessed Value \$10,873,000	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 2003 and located in the Roper Industrial subdivision of the City of Edmonton. The property has a building area of 99,612 square feet with site coverage of 34%.

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 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

In support of his position that the assessment of the subject, based on sales, was not correct, the Complainant produced a chart of three sales of properties comparable to the subject (C-3a16, page 11). The Complainant indicated that these comparables were drawn from locations across Edmonton since there were very few sales of properties of this size. The average value of these comparables was \$97.67 per sq. ft. while the subject was assessed at \$109.15 per sq. ft.

However, the Complainant submitted to the Board that the sales he presented were not good indicators of value for the subject and asked the Board not to place much weight on these sales comparables.

With respect to his argument that the assessments of comparable properties did not support the assessment of the subject, the Complainant presented a chart of four equity comparables (C-3a16, page 13). He submitted that his equity comparable # 2 was the best in establishing value for the subject. It was close in location to the subject but inferior in age and site coverage and did not possess finished second floor space, as did the subject. The average assessment of the equity comparables was \$95.63 per sq. ft.

The Complainant requested that the Board reduce the assessment of the subject to \$9,526,000, based on the value of \$95.63 per sq. ft.

POSITION OF THE RESPONDENT

The Respondent produced a chart of six sales of comparable properties in support of his argument that the assessment of the subject was correct (R-3a16, page 18). He indicated to the Board that the best sales comparable was # 1 which was the same as the Complainant's equity comparable # 3 and the Complainant's sales comparable #3. He submitted that none of the other sales comparables were similar to the subject in size, age or in finished upper floor space.

With respect to his argument that the assessment of the subject was fair and equitable, the Respondent presented a chart of equity comparables (R-3a16, page 25). He submitted to the Board that all these properties were much smaller in size than the subject and were not good indicators of value.

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

DECISION

The Board concludes that the assessment of the subject should be confirmed at \$10,873,000.

REASONS FOR THE DECISION

With respect to the issue of the correctness of the assessment of the subject, based on sales of comparable properties, the Board notes that the Complainant submitted to the Board that little weight should be placed on the sales comparables he presented as they were of little assistance in

establishing value for the subject. Similarly, the Respondent also submitted to the Board that the sales presented were of little help in establishing value.

With respect to the issue of the assessment of the subject being fair and equitable, neither party presented convincing evidence that the assessment of the subject was unfair. Of all the equity comparables presented by both parties, only the comparable # 2 presented by the Complainant was of any assistance in establishing value for the subject. The Board notes that even in the case of this comparable, the adjustments required to account for differences in age, site coverage and finished upper floor space would bring the assessment of that comparable close to the assessment of the subject.

The Board notes that, while the evidence presented by the Respondent was not satisfactory, it is the responsibility of the Complainant to provide evidence to allow the Board to conclude that the assessment is incorrect or inequitable. The Board is of the opinion that the Complainant did not raise enough evidence either on the issue of market sales or equity to allow the Board to conclude that there was a doubt that the assessment was not correct.

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
PSS Investments II Inc.
TPP Investments Inc.