



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
1 SIR WINSTON CHURCHILL SQUARE  
EDMONTON AB T5J 2R7  
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### NOTICE OF DECISION NO. 0098 466/10

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:

<b>Roll Number</b> 10064564	<b>Municipal Address</b> 6704 59 Street NW	<b>Legal Description</b> Plan: 0625512 Block: 11 Lot: 6
<b>Assessed Value</b> \$17,165,000	<b>Assessment Type</b> Annual – New	<b>Assessment Notice for:</b> 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 located in the Roper Industrial subdivision of the City of Edmonton. The property contains two large warehouses measuring 71,399 square feet and 73,879 square feet respectively. The property was constructed in 2006 and has site coverage of 25%.

## **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 issue remained for the Board to decide:

- 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 the assessment of the subject was not fair and equitable in comparison with the assessments of similar properties, the Complainant provided a chart of equity comparables (C-3a21, page 10). The average assessment per sq. ft. of these comparables was \$101.64 while the subject is assessed at \$118.16 per sq. ft.

The Complainant submitted to the Board that an adjustment had to be made for the comparatively low site coverage of the subject and presented the Board with a further calculation based on a surplus land value of \$5.00 per sq. ft. (C-3a, 21, page 10). He submitted to the Board that this would readjust the assessment to \$107.55 per sq. ft. He requested that the Board apply this readjusted value per sq. ft. to the subject and reduce the assessment to \$15,624,000.

## **POSITION OF THE RESPONDENT**

The Respondent provided a chart of six equity comparables for the consideration of the Board (R-3a21, page 18). He indicated to the Board that the most weight should be based on # 2 and # 6. He noted that his equity comparable # 6 is the same as the Complainant's equity comparable # 1.

The Respondent requested the Board to confirm the assessment of the subject at \$17,165,000.

## **DECISION**

The decision of the Board is to confirm the assessment of the subject at \$17,165,000.

## **REASONS FOR THE DECISION**

The Board is of the opinion that when determining a question of fairness and equity alone, the assessment equity comparables must meet a high standard of comparability.

The Board notes that all the equity comparables presented by the Complainant are different from the subject in site coverage and age. The subject has finished upper level space while only comparables # 1 and # 3 has such space. The Board also notes that comparable # 2 has 50<sup>th</sup> Street frontage. All these factors make the comparables less reliable in establishing value for the subject.

The Board does not agree that the excess land adjustment used by the Complainant in accounting for differences in site coverage is a valid or recognized way to determine value in a case such as this.

For the above reasons, the Board concludes that the Complainant has not discharged his responsibility of providing sufficient evidence to place the validity of the assessment in doubt.

## **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.

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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.*

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CC: Municipal Government Board  
GPM Managed Investments Inc.