



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 477/10

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 3941457	Municipal Address 10235 184 Street	Legal Description Plan: 9323361 Lot: 1A
Assessed Value \$7,576,000	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

Kevin Xu, Assessor
Aleisha Bartier, 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 1996 and located in the Morin Industrial subdivision of the City of Edmonton. The property has a total building area of 75,370 square feet with site coverage of 33%.

ISSUES

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

- The subject property sold for less than the assessment.
- The subject property is appraised for less than the assessment.

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 presented a chart of the sale of the subject property (C-3a74, page 11). This sale took place in February, 2009. He indicated that the subject is part of a three building complex, each represented by a different roll number for municipal tax purposes. The sale of the

entire parcel is represented by # 1 and then portion of the parcel which is the subject is represented by # 4 on the chart.

The Complainant showed the Board that the time adjusted sale price per sq. ft of the entire parcel was \$82.77. The value of proportion of the parcel represented by the subject, when the value of \$82.77 is applied to the size of the subject, is \$6,238,664. The Complainant asked the Board to reduce the assessment of the subject from \$7,576,000 to \$6,238,500 since this was based on the actual selling price of the subject.

The Complainant also presented an appraisal of the subject dated November, 2008 (C-3a74, page 13). That appraised value time adjusted to the valuation date indicated a value of \$6,393,500. The Complainant requested that the assessment be reduced to \$6,238,500 based on the 2009 sale.

POSITION OF THE RESPONDENT

The Respondent argued that the Board should place little weight on the sale of the subject property as requested by the Complainant. The Respondent indicated that since the subject was part of a three parcel sale, economies of scale would tend to depress the portion of the sale value attributed to the subject.

The Respondent presented five sales comparables (R-3a74, page 19) and indicated that comparable # 4 was the best comparable to the subject, although newer. The Respondent also produced five equity comparables (R-3a74, page 25). These equity comparables averaged \$108.71 per sq. ft while the subject assessment is \$100.52 per sq. ft.

The Respondent asked the Board to confirm the assessment of the subject at 7,576,000.

DECISION

The decision of the Board is to reduce the assessment of the subject to \$6,238,500.

REASONS FOR THE DECISION

The Board is of the opinion that the best indicator of market value of the subject property is the sale of the subject. The Board notes that the subject was part of a three parcel sale that took place in February, 2009 and that the value requested by the Complainant is the proportion represented by the subject to the total sale price. The Board does not accept the submission of the Respondent that there would be economies of scale which would have a downward pressure on the value of the subject.

The Board also notes that the value of \$6,238,500 requested by the Complainant represents a time adjusted sale price per sq. ft. using the time adjustment factors employed by the Complainant. As stated in the paragraph concerning preliminary matters, the Board prefers the time adjustment factors used by the Respondent. However, in this case since the sale took place so close to the valuation date, the Board is prepared to accept the Complainant's time adjustment factor.

The Board does not accept the estimate of value as presented in the appraisal report submitted by the Complainant. In particular, the Board notes that many of the comparables used in this report are of properties outside the location of the subject.

For the above reasons, the Board is prepared to reduce the assessment of the subject to \$6,238,500.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 10th 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
York Realty Inc.