



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 481/10

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 3082443	Municipal Address 10630 176 Street NW	Legal Description Plan: 8020508 Block: 4 Lot: 1A – 2A
Assessed Value \$5,210,500	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

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 medium warehouse built in 1983 and located in the McNamara Industrial subdivision of the City of Edmonton. The property has a total building area of 44,165 square feet and site coverage of 19%.

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:

- What is the typical market value of the subject property?

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 five direct sales comparables ranging in value from \$71.44 to \$157.59 per sq. ft. with an average of \$108.54 per sq. ft. (\$116.23 per sq. ft. on main floor only).

The Complainant submitted that the subject is comprised of approximately 25% office space, while two of the Complainant's comparables consist of approximately 52% and 69% office space respectively. The Complainant argued that these two comparables indicate that the subject

is over valued because the high portion of office space adds substantial value, as indicated by these two comparables at \$157.59 and \$151.95 per sq. ft.

POSITION OF THE RESPONDENT

The Respondent presented seven direct sales comparables ranging in value from \$61.93 to \$247.33 per sq. ft. with an average of \$137.94 per sq. ft.

Further, the Respondent presented eleven equity comparables ranging in value from \$108.16 to \$159.91 per sq. ft. with an average of \$129.89 per sq. ft.

The Respondent argued that main floor office space is not valued different from main floor warehouse space, and that this approach is consistent throughout the city.

DECISION

The decision of the Board is to confirm the assessment at \$5,210,500.

REASONS FOR THE DECISION

The Board is of the opinion that the Complainant's argument that main floor office space adds value to a warehouse property may be valid, however the evidence presented is not sufficient to determine if this value exists, and if so, what is the value difference.

The Board is of the opinion that the Respondent's submission that all main floor office space in warehouse properties are treated the same satisfies the requirement of equity.

Further, the values presented by both parties indicate that the current assessed value falls within an acceptable range.

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
Brandt Tractor Properties Ltd.