



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 489/10

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 1527159	Municipal Address 18131 107 Avenue NW	Legal Description Plan 8022583 Unit 15
Assessed Value \$384,000	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

Stephen Leroux, Assessor
Cameron Ashmore, 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 condo warehouse unit built in 1979 with a building area of 2,336 square feet and located in the Wilson Industrial Subdivision of the City of Edmonton. The subject possesses some finished main floor office space.

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 provided to the Board a chart of sales of five similar properties to the subject (C-3d, page 9). The first comparable in this chart was the sale of a unit in the same complex as

the subject with the same size, age and site coverage. The average time adjusted price of these sales comparables was \$131.34 per sq. ft. while the subject was assessed at \$164.38 per sq. ft. The Complainant indicated that he had used the same time adjustment factor for industrial condos as the City of Edmonton used and he agreed with this time adjustment factor (C-1, page 1), (C-3d, page 21).

The Complainant submitted to the Board that this average price of \$131.28 per sq. ft. ought to be applied in valuing subject. This would result in a value of \$306,500 and he requested the Board to reduce the assessment to this amount.

POSITION OF THE RESPONDENT

The Respondent argued that the assessment of the subject was fair and equitable and provided a chart of ten sales of comparable properties to support this position (R-3d, page 16). The range of time adjusted price per sq. ft. of these comparables was from \$153.09 to \$203.94. The assessed value of the subject was \$164.39 per sq. ft. He argued that all these sales comparables were similar to the subject and that all possessed finished office space, as did the subject. The Respondent stated that the assessed value of the subject was within this range of values.

As additional support for his position that the assessment was fair and equitable, the Respondent provided a chart of ten equity comparables of condo warehouses similar to the subject (R-3d, page 28). He indicated that many were within the same complex. He submitted that the assessment of the subject at \$162.90 per sq. ft. was well within the range of value evidenced by these comparables. In particular, he pointed out #10 on this chart of equity comparables as being very similar to the subject and showed an assessment of \$168.32 per sq. ft., higher than the assessed value of the subject.

The Respondent stated that these sales and equity comparables showed that the assessed value of the subject was fair and equitable and asked the Board to confirm the assessment at \$384,000.

DECISION

The decision of the Board is to confirm the assessment of the subject property at \$384,000.

REASONS FOR THE DECISION

The Board was persuaded by the Respondent's sales comparables that the assessed value of the subject falls within the range of the time adjusted price per sq. ft. of these comparables. In particular, the Board noted that all these comparables possessed finished main floor office space which would affect the assessment.

The Board was further persuaded by the equity comparables presented by the Respondent that the value per sq. ft. attributed to the subject was appropriate. Many of these comparables were located in the same complex or very close to the subject and were assessed on a per sq. ft. basis in a manner similar to the subject.

The Board notes that of the sales comparables presented by the Complainant, one had to be discarded as a result of a close relationship between the parties to the transaction. As well, another sale comparable presented by the Complainant was in the same complex as the subject, and its time adjusted value per sq. ft. tended to support the assessed value of the subject, when all factors are considered. For these reasons, the Board considers the sales comparables presented by the Complainant of less assistance in establishing the value of the subject.

The Board concludes that the Complainant has not discharged his responsibility of proving the current assessment of the subject to be incorrect and accordingly, the Board confirms the assessment of the subject at \$384,000.

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
Robert Gibson