



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 492/10

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 10034817 | Municipal Address 7028 56 Avenue NW | Legal Description Plan: 0522813 Block: 9 Lot: 12 |
| Assessed Value \$11,088,500 | 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

Marty Carpentier, Assessor
Tanya Smith, 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 2005 and located in the Roper Industrial subdivision of the City of Edmonton. The subject has a total building area of 102,000 square feet with 40% site coverage.

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 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

The Complainant presented one direct sales comparable with a time adjusted sale price of \$127.68 per sq. ft. The Complainant argued that the direct sale comparison approach should not be used to determine market value for the subject, as there are insufficient sales of comparable properties.

The Complainant submitted seven equity comparables (five were adjusted for size) ranging in value from \$95.35 to \$105.28 per sq. ft. with an average value of \$98.48 per sq. ft. The Complainant requested a reduction of the assessment to \$10,045,500 based on this value.

POSITION OF THE RESPONDENT

The Respondent submitted six direct sales comparables ranging in value from \$109.37 to \$139.91 per sq. ft., in addition to four equity comparables ranging in value from \$104.69 to \$114.01 per sq. ft.

The Respondent argued that based on the sales and equity comparables presented, the assessment is fair and equitable and requested confirmation of the assessment at \$11,088,500.

DECISION

The decision of the Board is to confirm the assessment at \$11,088,500.

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 is of the opinion that the sales comparables of the Respondent (sale # 1 and # 2) indicating values of \$109.37 and \$123.30 per sq. ft. respectively (somewhat older than the subject), support the value of \$108.71 for the subject.

Further, the equity comparables of the Respondent similar in site coverage, size and year built ranging from \$104.69 to \$114.01 support the current assessment.

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
PSS Investments II Inc.
TPP Investments II Inc.