



## **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 494/10**

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> 4112769	<b>Municipal Address</b> 4405 Eleniak Road	<b>Legal Description</b> Plan: 8923379 Lot: M
<b>Assessed Value</b> \$6,856,500	<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 a medium warehouse built in 1977 and located in the Pylypow Industrial subdivision of the City of Edmonton. The property has a building area of 61,440 square feet with site coverage of 17%.

## **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 reflective of market value based on comparable sales?
- Is the assessment of the subject property fair and equitable in comparison with similar properties?
- Should the subject property have a downward adjustment for atypical configuration?

## **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**

With respect to his argument that the subject should receive a downward adjustment in its assessment for an atypical configuration, the Complainant provided a floor plan of the building showing that many of the bays in the building faced the rear of the property and had no frontage. Entry would have to be at the back of the building (C-3a22, page 29). The Complainant argued that this configuration would lower the value of the building.

With respect to the issue of the correctness of the assessment when compared to sales in the marketplace, the Complainant provided a chart of two sales of comparable properties (C-3a22, page 11). The Complainant indicated that it was difficult to find sales of comparable properties of the particular configuration and in “fair” condition as is the subject. The average value per sq. ft. of these sales comparables was \$83.31 while the assessment per sq. ft. was \$111.60.

In support of his argument that the assessment was inequitable in relation to the assessments of similar properties, the Complainant provided a chart of three equity comparables (C-3a, 22, page 13). The average assessment per sq. ft. of these comparables was \$84.07.

The Complainant requested that the Board reduce the assessment of the subject to \$5,118,000 based on applying a value of \$83.30 per sq. ft.

## **POSITION OF THE RESPONDENT**

The Respondent did not provide any evidence to the Board concerning the issue of the atypical configuration of the subject. The position of the Respondent was that this was not an issue before the Board during this hearing.

The Respondent provided a chart of sales comparables to the Board (R-3a, 22, page 21). He indicated to the Board that his sales comparable # 2 was also used by the Complainant as his comparable # 2.

The Respondent also provided a chart of three equity comparables in support of the position that the assessment of the subject was fair and equitable (R-3a22, page 22). He advised the Board that these comparables were much smaller than the subject.

The Respondent requested that the Board confirm the assessment of the subject at \$6,856,500.

## **DECISION**

The decision of the Board is to reduce the assessment of the subject to \$6,513,500.

## **REASONS FOR THE DECISION**

The Board agrees with the Complainant that the issue of the atypical configuration of the subject was properly before the Board. The Board heard submissions from the Complainant that the City of Edmonton will adjust the assessment of a rear building on a property by 5% to 10%. The Board is satisfied that the evidence provided by the Complainant shows that there is a similar

atypical configuration to this property and accordingly concludes that there should be a 5% downward adjustment to the subject's assessment to account for this configuration.

With respect to the issue of the correctness of the assessment in view of the sales of comparable properties, the Complainant only provided the Board with two sales comparables. The Board heard evidence that sale # 1 was subject to low lease rates which would lower value. The Complainant's sales comparable # 2 was also used by the Respondent as its sales comparable # 2. The Board finds that when the City's time adjustment factor is used, the time adjusted price per sq. ft. of that comparable supports the assessment.

With respect to the issue of the equity of the subject assessment, the Complainant provided one comparable of a size similar to the subject. That equity comparable # 1 has higher site coverage than the subject, which has very low site coverage of 17%. That equity comparable # 1 also has finished upper level space which the subject does not have.

Based on the above, the Board concludes that the subject property should be awarded a 5% reduction in its assessment for atypical configuration. However, the Board also concludes that the Complainant did not discharge his responsibility of showing the Board that assessment was not correct, based on sales in the marketplace nor did he show the Board that the assessment was inequitable when compared with assessments of similar properties.

#### **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  
Hitchco Developments Ltd.