



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 506/10

Canadian Valuation Group
1200 10665 Jasper Avenue
Edmonton, AB T5J 3S9

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 on November 9, 2010 respecting a complaint for:

Roll Number 10083185	Municipal Address 3804 53 Avenue NW	Legal Description Plan: 0628377 Block: 20 Lot: 4
Assessed Value \$9,447,500	Assessment Type Annual - New	Assessment Notice for 2010

Before:

Rob Reimer, Presiding Officer
George Zaharia, Board Member
Judy Shewchuk, Board Member

Board Officer: Annet N. Adetunji

Persons Appearing: Complainant

Tom Janzen, CVG

Persons Appearing: Respondent

Marty Carpentier, Assessment & Taxation Branch

PRELIMINARY MATTERS

Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

BACKGROUND

The subject property is a 71,400 square feet multi-tenant warehouse built in 2007. It is located in south east Edmonton and situated on a 5.21 acre lot resulting in a site coverage of 31%.

ISSUE(S)

1. Is the 2010 assessment of the subject property fair and equitable?
2. Is the 2010 assessment of the subject property supported by the sales of 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 submitted seven sales comparables summarized on page 1 of exhibit C-1. These seven comparables show a time adjusted sale price per square foot ranging from \$70.24 to \$172.17. The Complainant submitted that the appropriate assessment should be \$120 per square foot or \$8,568,000.

The Complainant also provided a pro forma in which he calculated a value based on the income approach. This calculation resulted in a value of \$8,789,000.

Considering the two approaches, the Complainant asked the Board to reduce the 2010 assessment to \$8,600,000.

POSITION OF THE RESPONDENT

The Respondent submitted seven sales comparables on page 16 of exhibit R-1 showing a time adjusted sale price per square foot ranging from \$125.16 to \$157.92.

The Respondent also submitted four equity comparables on page 24 of exhibit R-1 showing 2010 assessments ranging from \$132.32 to \$140.07 per square foot.

The Respondent stated that the City consistently uses the direct sales comparison approach when assessing warehouses since the majority of these properties in Edmonton are owner occupied.

The Respondent asked the Board to confirm the assessment at \$9,447,500.

DECISION

The decision of the Board is to reduce the 2010 assessment to \$9,237,000.

REASONS FOR THE DECISION

The Board considered the Complainant's sales comparables and was of the opinion that comparables 1, 2, and 3 were unreliable as they are all much larger than the subject property. Comparables 4 and 5 were also found to be unreliable as they are both much smaller than the subject property. Comparable 6 is closer to the subject property in size but is a much older building.

The Board found sales comparable 7 to be most similar to the subject property in size, age, and site coverage. Although the sale of comparable 7 occurred post facto on November 4, 2009, the sale price, at \$128.37 per square foot, supports the assessment of the subject property at \$132.32 per square foot. The Board viewed this sale as the strongest evidence in support of the assessment of the subject property.

The Board agrees with the Respondent that the direct sales comparison approach is the more appropriate method in valuing these types of properties.

It became evidence during the hearing that among the Respondent's equity comparables was the neighboring building at 3904 – 53 Avenue. The two buildings are nearly identical and were built by the same developer in the same year. The current assessments of the two buildings are \$132.32 per square foot for the subject property and \$129.37 for the neighboring property. The Board is of the opinion that the assessments should be the same.

The Board is persuaded that the 2010 assessment of the subject property should be \$9,237,000.

DISSENTING OPINION AND REASONS

There were no dissenting opinions.

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
1240027 Alberta Ltd.
William A. C. Rowe