



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 542/10

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 November 1, 2010 respecting a complaint for:

Roll Number 3074358	Municipal Address 10363 104 Street NW	Legal Description Plan: NB1 Block: 3 Lot: 187/188
Assessed Value \$2,383,000	Assessment Type Annual New	Assessment Notice for: 2010

Before:

Tom Robert, Presiding Officer
Tom Eapen, Board Member
John Braim, Board Member

Board Officer:

J. Halicki

Persons Appearing: Complainant

Walid Melhem, Agent
Altus Group Ltd.

Persons Appearing: Respondent

John Ball, Assessor
Assessment and Taxation Branch

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the CARB. An oath/affirmation was administered to the parties.

PRELIMINARY MATTERS

After a brief recess, the parties proceeded in a mutually-agreed manner through the rolls listed on the agenda.

BACKGROUND

The subject property, built in 1929 and known as the Mercer Warehouse, is a three-storey building situated in downtown Edmonton on a lot comprising approximately 14,997.19 sq. ft. with a site coverage of 89%. The property is effectively zoned CB2 - general business district and is used for retail/wholesale purposes. It is designated by the City of Edmonton as a heritage property.

ISSUE(S)

1. What is the market value of the subject property?
2. Is the subject property assessed fairly and equitably 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 position of the Complainant is that the subject land has been assessed at a rate that is higher than market value. He provided a chart (C1, pg. 12) of five sales all located in the downtown area that indicated time-adjusted sale prices ranging from \$63.42/sq. ft. to \$144.39/sq. ft. The average value was \$101.47/sq. ft.

The land assessment for the subject equates to approximately \$158.86/sq. ft.

Using the direct sales comparison approach, the Complainant presented five land sales comparables that averaged \$101.47/sq. ft. (C1, pg. 12). The associated *Network* sales data sheets for these comparables were also included to support the Complainant's contention that the sales transactions were appropriate comparables in relation to the subject (C1, pgs. 24-28).

Ten equity comparables were presented by the Complainant and these averaged \$75.85/ sq. ft. (C1, pg. 13).

The Complainant requested the 2010 assessment be reduced to \$1,137,500.

POSITION OF THE RESPONDENT

The Respondent asserts that the subject property was properly assessed according to the principles of mass appraisal and the commercial vacant land assessment model.

The land component of the subject property equates to approximately \$158.90/sq. ft. (R1, tab 2).

Four sales comparables, with supporting land titles documentation, were presented (R1, tab 4, pg. 33). These comparables, all zoned CB2 and with similar lot size except for comparable #3, ranged from \$175.10 to \$331.48/sq. ft. and averaged \$254.01/sq.ft. (R1, tab 4).

Exhibit R1, also included the Respondent's legal brief including a CARB decision and MGB order related to land assessment.

The Respondent requested the assessment of \$2,383,000 be confirmed.

DECISION

The decision of the Board is to confirm the 2010 assessment at \$2,383,000.

REASONS FOR THE DECISION

The subject property is located in the downtown core. It is the policy of the Respondent (City of Edmonton) to place a minimal value on downtown core buildings which do not represent the highest and best use of the land. The Board is of the opinion that the subject falls within this consideration.

The Board reviewed all direct sales comparables presented by both parties. The Board is of the opinion that all of the comparables presented represent, on average, a typical market value per square foot acknowledging that the sales are affected by market conditions and physical characteristics which may be different from the subject.

The indicated, overall median value of these limited amount of sales is approximately \$177.00/sq. ft. which supports the current assessed value of \$158.86/sq. ft.

In regard to the issue of equity, the Board concludes that the comparables presented by the Complainant are not sufficiently similar in terms of physical characteristics, zoning, or use.

DISSENTING OPINION AND REASONS

There were no dissenting opinions.

Dated this tenth day of November, 2010 A.D., 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
City of Edmonton, Assessment and Taxation Branch
Mercer Building Investments Inc.