



## ASSESSMENT REVIEW BOARD

Churchill Building  
10019 103 Avenue  
Edmonton AB T5J 0G9  
Phone: (780) 496-5026

### NOTICE OF DECISION NO. 0098 62/11

Mowbrey & Associates Inc.  
102, 5677 - 99 Street  
Edmonton, AB T6E 3N8

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 July 26, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
3772522	8520 Davies Road NW	Plan: 9122127 Block: 17 Lot: 1D	\$2,855,000	Annual New	2011

#### Before:

Dean Sanduga, Presiding Officer  
Reg Pointe, Board Member  
Taras Luciw, Board Member

**Board Officer:** Nicole Hartman

#### **Persons Appearing on behalf of Complainant:**

Michael Vanderzee  
Trevor Mowbrey, Mowbrey & Associates Inc.

#### **Persons Appearing on behalf of Respondent:**

Luis Delgado, City of Edmonton, Assessor  
Stephen Leroux, City of Edmonton, Assessor

## **PRELIMINARY MATTERS**

There were no preliminary matters. Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board.

## **BACKGROUND**

The subject property comprises two 12,002 square foot industrial warehouses located in the Davies Industrial West neighbourhood on a 64,852 square foot lot.

## **ISSUE(S)**

1. Is the 2011 assessment of the subject property at \$2,855,000 fair and equitable?
2. Is the subject market value correct when considering the subject structural condition?

## **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 written evidence in the form of an appeal brief with a two page summary and nine pages of photographs and sales comparables, entered as exhibit C – 1.

The subject property's condition was described as deteriorated with un-insulated, 8' x 6' wooden service bay doors that are obsolete. One building has no windows for the second floor offices and has three obsolete bay doors. The second building has seven obsolete bay doors, no street parking, and only 2 tenants.

Five sales comparables were provided on similar properties that sold between January 28, 2010 and June 30, 2010 with sale prices ranging from \$1,280,000 to \$2,900,000.

The subject property was purchased by the Complainant in December, 2008 for \$1,300,000. The 2008 assessment was \$1,981,000 and increased to \$2,375,000 in 2010. The Complainant requested a reduction in the 2011 assessment from \$2,855,000 to the 2010 assessment amount of \$2,375,000.

## **POSITION OF THE RESPONDENT**

The subject property is assessed at \$2,855,000 using a mass appraisal process. The factors considered in valuing the warehouse inventory in the City of Edmonton are location, lot size, age and condition of buildings, area of main floor, developed second floor and mezzanine area. (R-1, page 8)

The subject property has two buildings, each containing 12,002 square feet of total main floor area, for a total of 24,004 square feet. The two buildings on the subject property were constructed in 1972 and are considered in average condition for buildings of this age. No mezzanine or second floor area is included in the assessment. The second building has limited street access, for which a 10% reduction was allowed in the assessment.

The subject property contains 24,004 square feet and is assessed at \$118.94 per square foot. To support the assessment, ten validated sales, in close proximity to the subject that occurred in the past three years, were identified. These sales values, adjusted to the July 1, 2010 valuation date, sold in a range of \$107.44 per square foot to \$173.54 per square foot (R-1, page 20).

A review of the Complainant's sales comparables indicated that comparable number one was not at arm's length and therefore cannot be used. Sales number two and five are valid sales but sale number two has a 24% site coverage, well below the subject site coverage of 37% , sale number four has a 10.2% vacancy, and current leases are well below market rates affecting the sale price. Sales number three and five took place at time adjusted values of \$142.59 and \$129.29 per square foot, supporting the \$118.94 per square foot assessment (R-1, page 30). Sale number five is also a valid sale used in the Respondent's sales comparables (R-1, page 20).

## **DECISION**

The decision of the Board is to reduce the 2011 assessment from \$2,855,000 to \$2,712,500.

## **REASONS FOR THE DECISION**

1. The Board considered the Complainant's sales comparables and noted that sales #2, #4 and #5 average \$121.26 per square foot whereas the subject is assessed at \$118.94 per square foot. These sales comparables support the assessment (R-1, page 30).
2. The Board is persuaded by the Respondent's sales comparables (R-1, page 20) which confirm the assessment on a square foot basis.
3. The Board noted the subject property's condition is deteriorating and that it is experiencing functional obsolescence. The Board finds that a 5% reduction in the assessment is fair and equitable.

## **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 28<sup>th</sup> day of July, 2011, at the City of Edmonton, in the Province of Alberta.

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Dean Sanduga, Presiding Officer

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*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: 1431985 ALBERTA LTD