



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 626/10

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 29, 2010 respecting a complaint for:

Roll Number 9987054	Municipal Address 12904 50 Street NW	Legal Description Plan: 8267ET Block: Z Lot: 1
Assessed Value \$3,278,500	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

Chris Buchanan, Agent
Altus Group Ltd.

Persons Appearing: Respondent

Peter Bubula, Assessor
Assessment and Taxation Branch

PROCEDURAL MATTERS

The parties expressed no objection as to the composition of the CARB; Board Members expressed no bias toward this or any of the other accounts appearing on the agenda. The parties providing evidence were sworn-in/affirmed.

BACKGROUND

The subject property, known as Northlands 1, is a neighbourhood shopping centre located in the Kennedale Industrial subdivision. Built in 1979, it consists of approximately 27,398 ft² (net) and is situated on a 43,124 ft² site.

ISSUES

1. Is the lease rate used in arriving at market value correct?
2. Is the vacancy shortfall calculation correct?

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 put forward a recalculation of vacancy shortfall and requested a correction.

The Complainant provided 11 assessment lease rent comparables from various locations in Edmonton (C1, pg. 12). These indicate: a CRU medium rate average of \$10.50/ft²; CRU maximum rate of \$9.38/ft²; a restaurant AV rate average at \$10.13/ft²; and an upper rate at \$5.44/ft² with an average year (age) of 1981. The Complainant concluded from this evidence that \$10.00/ft² for main floor and \$5.00/ft² for upper floor is correct/fair and equitable. Based on these values, the requested amount is \$2,481,000.

POSITION OF THE RESPONDENT

The Respondent submitted five equity comparables for plaza-type properties ranging per square foot (for plazas only) from \$142.34 to \$267.64 (the subject's assessment is at \$119.66/ft²).

Furthermore, the Respondent provided five assessment equity rents for retail plaza properties indicating a range for main floor space from \$14.25/ft² to \$18.00/ft² and for upper level space from \$7.25/ft² to \$9.00/ft² (the subject's assessment is at \$13.25/ft² and \$6.75/ft² respectively).

The Respondent agreed that the vacancy shortfall calculation is in error; however, it was argued that the adjustment is minor and falls to previous Board orders which indicate a tolerance of five percent correctness.

DECISION

The decision of the Board is to reduce the total 2010 assessment from \$3,278,500 to \$3,276,500.

REASONS FOR THE DECISION

The Board agrees with the Complainant in regard to the issue of vacancy shortfall and is of the opinion that calculation errors do not fall to the benchmark 5% practice.

In regard to the issue of rental rates, the Board was influenced by the Respondent's comparables being primarily all on 50 Street with the exception of one comparable on Fort Road. The comparables are all retail plazas and are of similar age. The Complainant's comparables at 12950 – 50 Street and 12904 – 50 Street are valued, respectively, per square foot at \$10.50 and \$9.75 for main floor space. However, both of these areas, respectively, at 9,310 ft² and 8,550 ft² are much larger than the space categories of the subject at 1,001 ft² to 3,000 ft² and 3,001 ft² to 5,001 ft².

DISSENTING OPINION AND REASONS

There were no dissenting opinions.

Dated this ninth day of December, 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
Stromiga Inc.