



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 63/11

Penfabco Piping Engineering Fabricating
33 Stirling Rd NW
Edmonton, AB T5X 4C2

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:
7810658	5720 103A Street NW	Plan: 398NY Block: 88 Lot: 10	\$1,150,000	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:

Brad Daviss, Frost & Associates Realty Services Inc.
Luigi Iacobelli

Persons Appearing on behalf of Respondent:

Rebecca Anderson, City of Edmonton, Law Branch
Stephen Leroux, City of Edmonton, Assessor
Luis Delgado, City of Edmonton, (Observer)

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.

The Respondent objected to the Complainant's submission of rebuttal material, as it contained new evidence that had not been included in the original disclosure package, including information regarding the condition of the subject property. The Respondent submitted that condition had not been raised as an issue on the complaint form, nor in Complainant disclosure.

The Board recessed to review the material. Upon reconvening, the Board decided to exclude the rebuttal evidence.

BACKGROUND

The subject property is an industrial warehouse containing two bays totaling 8,912 square feet located on a 23,437 square foot parcel of land. The site coverage is 38% and the parcel has limited access from the front street only and receives a -5% allowance for this characteristic. The subject is assessed on the direct comparison approach.

The subject property located in the Calgary Trail North neighbourhood with an effective year built of 1975.

The Complainant is requesting a revised assessment of \$960,000.

ISSUE(S)

Is the 2011 assessment of the subject property at \$1,150,000 fair and equitable?

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 eight pages of written evidence containing equity comparables and title transfers of certain properties that took place between January 2007 and June 2010. Two of these title transfers were highlighted as sales comparables. Also included were one page cover letters from two appraisals dated February 1, 2010 and March 11, 2010. The February 1, 2010

letter is from Frost & Associates Realty Services Inc. while the March 11, 2010 letter is from Ergil Jackson Appraisals. The evidence was entered as exhibit C-1.

The Complainant described the subject property as being in poor condition and having only a narrow laneway to gain access to the rear of the building. The laneway is part of the site and is assessed as part of the total area.

The evidence included twelve equity comparables, one of which the Board was asked not to consider as it was not a market transaction. The comparables were all neighbouring properties in close proximity to the subject. Their assessments range from \$78.67 per square foot to \$158.97 per square foot. The subject is assessed at \$129.04 per square foot for a total of \$1,150,000.

The letter from Frost & Associates Realty Services Inc. concluded an estimate of value of \$960,000 while the Ergil Jackson Appraisals letter indicated a market value of \$855,000. The Complainant submitted that the Frost & Associates Realty Services Inc. valuation better reflects the subject property's value and requested a reduction to \$960,000.

POSITION OF THE RESPONDENT

The subject property is assessed at \$1,150,000 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 a building with 8,912 square feet of main floor area, constructed in 1975 and covering 38% of the site. The property has access from the front street only and has been given a -5% allowance for poor access.

Nine time-adjusted sales comparables, in average condition, were identified in close proximity to the subject. These sales took place in a range of \$123.55 per square foot to \$167.53 per square foot, supporting the assessment at \$129.04 per square foot (R-1, page 16).

Ten equity comparables located near the subject (R-1, page 28) are in a range of \$122.47 to \$150.11 per square foot and average \$132.99 per square foot. These equity comparables support the subject assessment at \$129.04 per square foot.

A review of the Complainant's equity comparables (R-1, page 29) by the Respondent shows that they have significant differences from the subject. They differ in size, age, site coverage, office mezzanine area and number of buildings on the site. Of the two comparable sales presented by the Complainant, 5723 – 104 Street is a non-arms length sale and 5705 – 103A Street was reported by a third party, Bourgeois & Company Ltd., to have been sold at \$80.58 per square foot and not \$66.78 per square foot. This is not a market sale and should not be considered by the Board.

The Respondent advised that little weight should be given to the appraisal summaries as they were not submitted in their entirety and the appraisers did not appear at the hearing to be examined on their reports.

DECISION

The decision of the Board is to confirm the 2011 assessment as fair and equitable.

REASONS FOR THE DECISION

The Board places less weight on the Complainant equity comparables which are dissimilar to the subject property in age, site coverage, land size, and improvements.

The summary of the two page appraisal report is incomplete; consequently, without the review of the full appraisal report, there was no opportunity to test the information or the conclusions made by the appraiser.

The sales comparables and the equity comparables of the Respondent were supportive of the assessment. Based on the above; the Board finds the assessment to be fair and equitable.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 29th day of July, 2011, at the City of Edmonton, in the Province of Alberta.

Dean Sanduga, 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: Brad Daviss, Frost & Associates Realty Services Inc.