



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 681/11

ALTUS GROUP
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 on December 14, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
6372957	13005 97 Street NW	Plan: 4997NY Block: 34 Lot: F	\$1,674,000	Annual New	2011

Before:

Dean Sanduga, Presiding Officer
Petra Hagemann, Board Member
Taras Luciw, Board Member

Board Officer: Jason Morris

Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Ning Zheng, Assessor, City of Edmonton

PRELIMINARY MATTERS

The Board Members indicated that they had no bias with regard to the matter before them. The parties indicated that they had no objection to the composition of the Board.

BACKGROUND

The subject property is classified as an auto service building constructed in 1968 and located at municipal address 13005-97 Street NW in the Killarney subdivision in the City of Edmonton. The size of the property is 7,989 square feet, main floor only, on a lot of 28,096 square feet. The property was assessed on the income approach, and the 2011 assessment is \$1,674,000

ISSUE(S)

There were numerous issues listed in exhibit C-1, pg 3, however only the following issues were addressed during the hearing:

1. Is the 2011 assessment rental rate higher than market value?

LEGISLATION

Municipal Government Act, RSA 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 containing 24 pages that was entered as exhibit C-1 and a 6 page rebuttal entered as exhibit C-2.

The Complainant provided 4 market lease rate (rent) comparables, on four auto service locations, that ranged from \$11.85 to \$15.00 per square foot (C-1, page 18). The average rents were \$13.71 and the median was \$14.00 per square foot compared to the subject's rent at \$18.25 per square foot.

The Complainant also provided the Board with 8 main floor assessment lease rate comparables; all are auto service related locations, whose rental rates ranged from \$9.25 to \$15.50 per square foot (C-1, page 19). The average assessment rents were \$13.22 and the median was \$13.25 per square foot compared to the subject's assessed rent at \$18.25 per square foot.

The subject's Master Rent Roll was also provided, stating that the actual blended lease rate is \$17.90 per square foot compared to the assessed lease rate of \$18.25 per square foot.

POSITION OF THE RESPONDENT

The Respondent presented written evidence (R-1) and argument for the Board's review and consideration.

An Income Detail Report was submitted (R-1, page 20) wherein main floor rent of \$18.25 per square foot and together with a capitalization rate of 8%, were shown as the basis for the current assessment of \$1,674,000.

The Respondent provided Comparable Equity Rents for six comparable properties (R-1, page 26). All six properties are occupied by auto services and are assessed at an average of \$19.00 per square foot.

The Respondent presented the Board with actual rents of comparable properties averaging \$19.09 per square foot (R-1 page 25). This suggests that the assessed rent of the subject at \$18.25 per square foot is fair and equitable.

The rental rates presented support the subject's current assessment and the Respondent requested that the 2011 assessment of \$1,674,000 be confirmed.

DECISION

The decision of the Board is to reduce the 2011 assessment from \$ 1,674,000 to \$1,158,500.

REASONS FOR THE DECISION

The Board noted that Complainant Rental rate 1, 2, 3, and 4 in (C-1, page 19) are similar to the subject in size, location and zoning and average a rental rate of \$14.50 which equates to an assessment of \$1,158,500 .

The Board is convinced by the Complainant's Rebuttal (C-2, page 2) noting that a property on 13450-97 Street which is located across from the subject sold for \$149.37 per square foot whereas the subject is assessed at \$209.00 per square foot.

The Board considered the Respondent's rental rate comparables and placed less weight on them as they are located in various areas of the city and are not similar to the subject in location and size. (R-1, page 25)

DISSENTING OPINION AND REASONS

None

Dated this 4th day of January, 2012, 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, RSA 2000, c M-26.

cc: JOSEF AMANN