



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
EDMONTON, ALBERTA T5J 2R7
(780) 496-5026 FAX (780) 496-8199

NOTICE OF DECISION NO. 0098 70/10

Canadian Valuation Group
1200 10665 Jasper Avenue
Edmonton , AB T5J 3S9

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 19 – 20, 2010 respecting a complaint for:

Roll Number 1106103	Municipal Address 12720 149 Street NW	Legal Description Plan: 3341RS Block: B Lot: 7R
Assessed Value \$5,925,000	Assessment Type Annual - New	Assessment Notice for: 2010

Before:

Hatem Naboulsi, Presiding Officer
Jack Jones, Board Member
Dale Doan, Board Member

Board Officer:

Segun Kaffo

Persons Appearing: Complainant

Peter Smith, CVG

Persons Appearing: Respondent

Marty Carpentier, Assessor

PROCEDURAL 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.

PRELIMINARY MATTERS

1. Upon commencement of the hearing the Respondent objected to admissibility of the Complainant's rebuttal document (C-2), which contained the 2010 assessment of the sales comparables presented by the Respondent, as well as the assessment per square foot and the ASR. The Respondent objected in particular to the submission of the ASR as they

had not been an issue in the original complaint. The parties agreed that the rebuttal document excluding the ASR was acceptable, and the Board ruled accordingly.

2. The Respondent requested submission of a surrebuttal which contained 2010 assessment information relating to the Complainant's sales comparables. The Board found that the 2010 assessment information was already contained in C-1 and that no additional submission was required. The Board therefore ruled to exclude the surrebuttal.

ISSUES

Is the subject property's 2010 assessment of \$5,966,000 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.*

Matters relating to Assessment and Taxation Regulation, AR 220/2004;

S.3 Any assessment prepared in accordance with the Act must be an estimate of the value of property on July 1 of the assessment year.

BACKGROUND AND DESCRIPTION OF PROPERTY

The subject property is an average condition property consisting of two warehouse buildings containing a total of 45,208 sq.ft. built in 1978 and 2007. In addition there is a 6,720 sq. ft. storage shed on the site with a nominal value of \$29,000 which was not disputed by both parties. The site coverage is 19%.

Both parties agreed that the appropriate method of assessing industrial warehouse properties was the direct sales approach.

POSITION OF THE COMPLAINANT

The Complainant attended the hearing and presented evidence (C-1 & C-2) and argument for the Board's review and consideration.

The Complainant submitted a time adjustment chart for property values (C-1, page 3) which was utilized to make the time adjustments for the 8 sales comparables. The Complainant noted these were the same time adjustments utilized by the City of Edmonton in their valuation of sales.

The Complainant submitted 8 sales comparables (C-1, page 1) with sale dates ranging from November, 2008 to October, 2009 and time adjusted sale prices ranging from \$72.25 per sq.ft. to \$137.09 per sq.ft. with an average of \$97.76 per sq.ft. which compares to the assessed value of \$131.06 per sq.ft. The Complainant indicated that sales comparables 4 and 8 were the best comparables of the 8 presented. Based on the sales comparables presented the Complainant requested the assessment be reduced to \$90.00 per sq.ft. for a total value of \$4,069,000.

The Complainant submitted 5 equity comparables, (C-2, page 2) which were also the Respondent's sales comparables. The average of the 5 equity comparables was \$124.71 per sq. ft. compared to the assessment of \$131.06 per sq. ft.

The Complainant stated that sale #7 had undergone renovation which increased the sale price from \$57.80 to \$72.25 per sq. ft.

POSITION OF THE RESPONDENT

The Respondent attended the hearing and presented evidence (R-1 & R-2) and argument for the Board's review and consideration.

The Respondent submitted 5 sales comparables (R-1, page 18) with sale dates ranging from January, 2007 to March, 2009 and time adjusted sale prices ranging from \$146.97 per sq.ft. to \$182.99 per sq.ft. with an average of \$157.46 per sq.ft. which compares to the assessed value of \$131.06 per sq.ft. The Respondent indicated that comparables 3 & 5 were the best comparables of the 5 presented.

The Respondent submitted 8 equity comparables (R-1, page 24) with values ranging from \$131 per sq.ft. to \$147 per sq.ft. with an average of \$138.38 per sq.ft. which compares to the assessed value of \$131.06 per sq.ft. The equity comparables were all in the same area as the subject property and have an average site coverage of 23% which compares to 19% for the subject property.

The Respondent submitted an analysis of the Complainant's sales comparables (R-1, pages 25-27) which illustrated that the Complainant's comparables varied widely with respect to age, location on major roadways, size, site coverage and motivation.

The Respondent submitted to the Board that the 2010 assessment of the subject property was fair and equitable.

DECISION

The decision of the Board is to confirm the 2010 assessment of \$5,925,000 as fair and equitable.

REASONS FOR THE DECISION

- 1) The Board placed greatest weight on the sales comparables provided by the Respondent (R-1 page 18) and in particular sales # 3 & 5 which were comparable to the subject property with respect to location, age, condition and size. The average time adjusted sales price of these 2 comparables is \$151.18 per sq.ft. which supports the 2010 assessment of \$131.06 per sq.ft.
- 2) The Board further finds that the equity comparables provided by the Respondent (R-1, page 24) which were similar to the subject property with respect to location, age, condition, site coverage and building size equated to an average assessed value of \$138.38 per sq.ft. and support the 2010 assessment of \$131.06 per sq.ft.
- 3) The Board finds that the sales comparables provided by the Complainant (C-1, page 1) were not representative of market value due to the wide variances in age, location, size and site coverage. In addition, several of the sales were questionable with respect to sales, motivation, condition of the buildings, etc (R-1, page 25-27)
- 4) The Board further noted that three of the Complainants sales comparables were post facto (after the July 1, 2009 valuation date). The Board accepts that, in general, a post facto sale should only be used to establish trends in the marketplace. However, a post facto sale could be used to assist in establishing value if evidence were provided that the parties to the sale agreed to the purchase price prior to the valuation date.

DISSENTING DECISION AND REASONS

None

Dated this 22nd day of July, 2010 A.D. at the City of Edmonton, in the Province of Alberta.

Presiding Officer

CC: MUNICIPAL GOVERNMENT BOARD
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