



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 723/11

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 January 25, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
3788072	12645 142 Avenue NW	Plan: 8921617 Block: 63 Lot: 3B	\$2,061,000	Annual New	2011

#### Before:

Robert Mowbrey, Presiding Officer  
John Braim, Board Member  
Tom Eapen, Board Member

**Board Officer:** Jason Morris

#### Persons Appearing on behalf of Complainant:

John Trelford, Altus Group

#### Persons Appearing on behalf of Respondent:

Ning Zheng, Assessor, City of Edmonton

## **PRELIMINARY MATTERS**

[1] Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board members advised the parties that the Board had no bias on this file.

## **BACKGROUND**

[2] The subject property is a bank building, located at 12645 142 Avenue NW. The bank premises are 4,363 square feet and the CRUMED is 2,442 square feet for a total of 6,805 square feet. The subject property was built in 1994 and the 2011 assessment is \$2,061,000.

## **ISSUE(S)**

[3] What is the market value of the subject property?

## **LEGISLATION**

[4] The *Municipal Government Act, RSA 2000, c M-26* reads:

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**

[5] The Complainant filed this complaint on the basis that the subject property of \$2,061,000 is in excess of market value. In support of this position, the Complainant presented four bank lease comparables to the Board for their consideration. The bank comparables were all on busy arterial roadways or part of a busy shopping plaza and the size of the comparables was similar. The lease comparables had an average of \$24.75 per square and a median of \$25.00 per square foot. The Complainant is requesting a \$25.00 per square foot on the bank premises for the 2011 assessment. (Exhibit C-1 page 17).

[6] The Complainant presented five CRUMED lease comparables to the Board for their consideration. The five comparables had an average of \$14.89 per square foot and a median of \$14.00 per square foot. The Complainant is requesting a \$15.50 per square foot on the CRUMED premises for the 2011 assessment. (Exhibit C-1 page 17).

[7] The Complainant presented three CRUMED equity comparables to the Board for their consideration. The three equity CRUMED equity comparables had a median of \$16.00 per square foot. The Complainant is requesting a \$16.00 per square foot. (Exhibit C-1 page 18).

[8] In conclusion, the Complainant requested a 2011 assessment of \$1,758,000 based on the income capitalization approach.

### **POSITION OF THE RESPONDENT**

[9] The Respondent advised the Board regarding the mass appraisal process that the City of Edmonton utilizes for their bank buildings. The mass appraisal brief states the income approach is the approach of choice, as it best reflects the typical actions of buyers and sellers when purchasing income-producing properties. This approach estimates the value of a property by determining the present value of a projected income stream. Direct capitalization is the method of choice employed to value the majority of properties in the commercial inventory. This involves capitalization of the derived net income by an overall rate determined from comparable market data.

[10] The Respondent presented four bank market lease comparables to the Board that were similar in terms of size, effective year built and location. The average of the bank lease comparables was \$33.00 which supports the bank assessment of \$30.00 per square foot. (Exhibit R-1 page 24).

[11] The Respondent presented four CRUMED market lease comparables to the Board that were similar in terms of size and location. The average of the four CRUMED lease comparables was \$22.13 per square foot, which supports the CRUMED assessment of \$19.75 per square foot. (Exhibit R-1 page 24).

[12] The Respondent presented six CRUMED equity lease comparables to the Board that supported the CRUMED assessment. The six comparables averaged \$20.50 per square foot compared to the 2011 assessment of \$19.75 per square foot. (Exhibit R-1 page 25).

[13] The Respondent asked the Board to confirm the 2011 assessment of \$2,061,000.

### **DECISION**

[14] The decision of the Board is to confirm the 2100 assessment of \$2,061,000 as being fair and equitable.

### **REASONS FOR THE DECISION**

[15] The Board reviewed both the Complainant's and the Respondent's evidence and found the Respondent's evidence to be more compelling. The Board was persuaded by the Respondent's market comparables regarding the bank premises. The bank market lease comparables of \$33.00 support the bank assessment of \$30.00 per square foot.

[16] The Board was not persuaded by the Complainant's bank market comparables. The Complainant's comments show the assessments are all at \$30.00 or higher. Although the Complainant states that two of the comparables are clearly a wrong value, no evidence has been given to the Board to refute this charge.

[17] The Board put little weight on the Complainant's CRUMED assessment comparables. The first two were much older and substantially larger than the subject property.

[18] Jurisprudence has established the onus of showing an assessment is incorrect rests with the Complainant. The Board is satisfied that the Complainant did not provide sufficient and compelling evidence to enable the Board to form an opinion as to the incorrectness of the assessment.

### **DISSENTING OPINION AND REASONS**

[19] There was no dissenting opinion.

Dated this 8<sup>th</sup> day of February, 2012, at the City of Edmonton, in the Province of Alberta.

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Robert Mowbrey, 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, RSA 2000, c M-26.*

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cc: MARCO INVESTMENTS (ALBERTA) LTD  
GALE FORCE HOLDINGS LTD