



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 724/11

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 February 1, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10037277	1850 - 102 Street NW	Plan: 0523284 Block: 19 Lot: 3	\$2,500,500	Annual New	2011

Before:

Tom Robert, Presiding Officer
Brian Hetherington, Board Member
Judy Shewchuk, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Walid Melhem

Persons Appearing on behalf of Respondent:

Alana Hempel
Tim Dmytruk

BACKGROUND

The subject property is a restaurant improvement of 5,841 square feet constructed in 2004. The land lease consists of 1.24 acres (54,014 square feet). The restaurant operating as Tim Horton's and Wendy's businesses is located in the South Edmonton Common power centre.

ISSUE(S)

What was the market value of the subject property on July 1, 2010?

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 argues that the lease rate applied to the subject property is too high. In support, the Complainant provided the Board with a chart of seven market lease rate comparables for fast food restaurants, ranging from \$15.50 to \$28.00 per square foot. The actual lease rate for the subject is \$25.07, for an annual lease of \$138,500. The Complainant requested a lease rate of \$23.00 per sq. ft. based on the lease rate comparables. The requested value, based on the requested lease rate, using the income approach, is \$1,594,500.

Further, the Complainant argues that a half-interest in the subject sold in December 2009 at a time-adjusted value of \$920,000 for a full-interest value of 1,790,000.

The requested value, by the direct sales comparable approach is \$1,790,000

POSITION OF THE RESPONDENT

The Respondent provided the Board with a chart of ten lease rate comparables, ranging in value from \$30.00 to \$50.33 per square foot with an average of \$36.98 and a median of \$36.77 per square foot, which he suggested supported the assessed lease rate of \$34.00 per square foot.

The Respondent further submitted that two of the lease restaurant rate comparables are in the same South Edmonton Common Power Centre as the subject, supporting the lease rate of \$34.00. The two lease rates for the South Edmonton Common restaurant properties presented by the Respondent are \$38.14 and \$50.00 per square foot.

DECISION

The decision of the Board is to reduce the assessment to \$1,800,000.

REASONS FOR THE DECISION

The Board is persuaded by the sale of the subject in December 2009 for a half interest at \$920,000. The full value of \$1,840,000, when time-adjusted, indicates a value of \$1,790,000 as of July 1, 2010.

This value is further supported by the actual annual lease rate of \$138,500, provided by the Complainant. Applying typical adjustments of the income approach to value, the indicated value is \$1,740,000.

Therefore the Board reduced the assessment of the subject property from \$2,500,000 to \$1,800,000.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 7th day of February, 2012, at the City of Edmonton, in the Province of Alberta.

Tom Robert, 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: CAMERON CORPORATION
CANADIAN PROPERTY HOLDINGS (ALBERTA) INC