



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 727/11

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 31, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10125672	10008 – 109 Street NW	Plan: 0821851 Block: 9 Lot: 58A	\$3,845,000	Annual New	2011

Before:

Tom Robert, Presiding Officer
Judy Shewchuk, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Walid Melhem

Persons Appearing on behalf of Respondent:

Ning Zheng

BACKGROUND

The subject property is a two-storey retail building consisting of 6,600 square feet situated on 48,579 square feet of land in the downtown area.

ISSUE(S)

1. What is the correct lease rate on the subject property to establish market value as of July 1, 2010?
2. What is the correct square footage of excess land?

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

Issue #1

The Complainant provided two main floor lease rate comparables located within the same building at 10279 Jasper Avenue indicating a lease rate of \$15.00 per square foot for both leases. Further the Complainant presented four assessment lease rate comparables ranging from \$15.00 to \$17.75 per square foot located within the same area as the subject property. The requested lease rate is \$15.00 for the main floor area of the subject.

The rate of \$11.25 and \$1.50 applied to the upper floor and basement were not under dispute.

Issue #2

The Complainant argues that the site coverage calculated for the subject building does not take into consideration the required parking for the upper floor of the subject and, therefore, should be included in the calculation of site coverage from 5% to 10%, reducing the excess land value from \$3,000,407.20 to \$2,250,225.00 (exhibit C-1, pages 12 and 15).

POSITION OF THE RESPONDENT

Issue #1

The Respondent presented seven equity assessment lease rate comparables ranging in value from \$21.75 to \$25.00 while the assessed value is \$22.50 per square foot.

Further the Respondent argues that the lease rate comparables presented by the Complainant are high rise office buildings, not similar to the subject two-storey structure.

The Respondent provided six market lease rate comparables within the downtown area ranging from \$20.00 to \$25.00 per square foot.

Issue #2

The Respondent argued that typical site coverage for property within the City of Edmonton is calculated on the footprint of the building by dividing the ground floor area by the lot size. The Respondent provided evidence stating the definition of site coverage under Bylaw 12800, 6.1 (89), City of Edmonton.

DECISION

The Board confirms the assessment of \$3,845,000.

REASONS FOR THE DECISION

Issue #1

The Board was not persuaded by the Complainant's lease rate comparables as they do not share similar characteristics with the subject. The comparables presented by the Complainant are primarily main floor spaces located in multi storey buildings.

The market lease rate comparables are within one building and both areas are smaller than the subject at 800 and 1,644 square feet respectively. The Board, therefore, confirms the main floor lease rate at \$22.50 per square foot.

Issue #2

The Board has determined that the site coverage for the subject property is as presented by the Respondent and supported by Bylaw 12800, 6.1 (89).

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: Luxor Land Ltd
Mesa West Capital Corp