



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 734/11

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 13, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
8015505	9918 77 AVENUE NW	Plan: 1750R Block: 22 Lot: 20 / 21 / 22 / 23	\$643,500	Annual New	2011

Before:

Don Marchand, Presiding Officer
Brian Carbol, Board Member
Mary Sheldon, Board Member

Board Officer: Karin Lauderdale

Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Marty Carpentier, Assessor, City of Edmonton
Steve Lutes, Solicitor, City of Edmonton

PRELIMINARY MATTERS

The hearing proceeded with the Respondent making an oath and with the Complainant affirming to tell the truth. No objection was raised as to the composition of the CARB panel. In addition, the Board members indicated no bias with respect to this file.

The CARB was advised by the Complainant that the only common issue that applies to the subject complaint is the one itemized as:

4. the assessment of the subject property is in excess of its market value for assessment purposes

and that the remaining common issues itemized as numbers 1-3 and 5-9 shown on the SCHEDULE OF ISSUES (C-1, pg 3) page will not be argued.

BACKGROUND and PROPERTY DESCRIPTION

- The subject property is a small warehouse located at 9918 77 Avenue in Edmonton. It was built in 1955 and has a site coverage of 25%. The building area is 4,269 square feet and the land size is 17,399 square feet. The current assessment for the subject is \$643,500
- Both parties provided sales data within the evaluation period that were time-adjusted.
- City of Edmonton time adjustment sales chart was used by both parties to establish a TASP and there was no dispute on this issue from either party.
- The Direct Sales Comparison Approach is the valuation approach used by the Parties to argue against and support of the assessment.

The above background and property description facts were all agreed to by the Parties.

ISSUE(S)

Is the 2011 assessment of the subject property at \$643,500 correct?

LEGISLATION

The CARB in its deliberations gave consideration to the:

Municipal Government Act, RSA 2000, c M-26

1(1) *In this Act,*

- (n) *“market value” means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;*

289(2) *Each assessment must reflect*

- (a) *the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and*
(b) *the valuation and other standards set out in the regulations for that property.*

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.*

(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)

2. *An assessment of property based on market value*

(a) must be prepared using mass appraisal,

(b) must be an estimate of the value of the fee simple estate in the property, and

(c) must reflect typical market conditions for properties similar to that property

POSITION OF THE COMPLAINANT

To support his request, the Complainant presented to the Board a chart of four comparable sales, which are shown below:

Comp	Address	Sale Date	Sale Price	Site %	Bldg Area /Sq. Ft. (LBA)	Year Built	TASP	TASP per SF LBA
1	8307 Coronet Rd. NW	29 Sept. 2009	\$994,000	30%	7,532	1967	\$964,578	\$128.06
2	9319 63 Avenue NW	15 Jun 2009	\$725,000	25%	4,360	1963	\$697,233	\$159.02
3	8645 Coronet Rd. NW	16 Jan 2007	\$885,000	21%	7,401	1967	\$1,051,557	\$142.08
4	9840 62 Avenue NW	27 Nov 2007	\$275,000	20%	3,200	1963	\$290,015	\$90.63
Subj.	9918 77 Avenue NW			25%	4,269	1955	Assessment Rate	\$150.74
							Requested Rate	\$130.00 / Sq. Ft.

The Complainant also provided to the CARB an appraisal of the subject property dated December 10, 2009, prepared by Frost and Associates. The Complainant indicated to the CARB that the appraisal valued the subject property between \$350,000 and \$400,000. The Complainant argued further that the appraisal showed that the building on the subject property was of little or no value and that the best use of the property was the land. To support this argument, the Complainant advised that business conducted on the property projected a net income loss.

With respect to his sales of properties comparable to the subject, the Complainant advised the CARB that the subject property was an older building constructed in 1955 and that it was difficult to find comparables of similar age and size. He indicated to the CARB that all the

comparables were newer than the subject and were of average condition whereas the subject was rated as being in a “fair” condition. Based on his chart of comparable sales, the Complainant submitted to the CARB that a value of \$130 per square foot of total building area would be a fair and equitable value for the subject. However, the Complainant requested that the CARB reduce the current assessment of the subject to \$400,000 based on the appraiser’s opinion that the vest value for the subject would be between \$20 per square foot to \$23 per square foot considering the fact that the building on the subject property was nearing the end of its economic life.

The Complainant requested that the CARB reduce the current assessment of the subject to \$400,000.

POSITION OF THE RESPONDENT

The Respondent presented to the CARB a chart of five comparable sales, which are shown below:

Comp	Address	Sale Date	TASP Sale Price	Site Coverage	Condition	Building Area	Year Built	TASP per SF
1	8047 Coronet Rd. NW	8 July, 2010	\$1,198,250	28%	Average	7,438	1971	\$161.09
2	6908 82 Ave. NW	5 Sept. 2008	\$889,200	36%	Average	5,269	1968	\$168.75
3	9540 60 Ave. NW	12 Dec. 2008	\$1,889,000	15%	Average	10,637	1967	\$177.58
4	9508 62 Ave, NW	19 Jan. 2009	\$1,018,455	21%	Average	5,846	1970	\$174.20
5	8315 Davies Rd. NW	10 March 2010	\$1,264,768	24%	Average	8,006	1973	\$157.99
Subj.	9918 77 Avenue NW			25%	Fair	4,269	1955	
						Assessment Rate		\$150.73

The Respondent also presented to the CARB a chart of 9 assessments of properties similar to the subject. The range of assessments per square foot of these comparables was from \$158.53 to \$165.29. The equity comparables range of year built is from 1967 to 1973. The Respondent submitted to the CARB that this showed that the assessment per square foot of the subject at \$150.73 was fair and equitable considering the inferior age and condition of the subject property.

The Respondent argued that the above sales and assessment data evidence showed that the assessment of the subject was correct and requested that the CARB give little weight to the appraisal presented by the Complainant. The Respondent submitted that the appraiser was not present to answer questions concerning the document and that supporting documents were not provided.

The Respondent requested that the CARB confirm the current assessment of the subject at \$643,500.

FINDINGS

- All of the sales comparables provided the CARB lacked similarity to the subject.
- The equity comparables are all in average condition and have unit of comparison rates in the range of 5% to 10% higher than the subject, which is in fair condition.

REASONS FOR THE DECISION

The Complainant's request for an assessment of \$400,000 is indicating that the improvements have no contributory value to the property. The difference between this requested assessment and the current assessment amounts to \$243,500 or nearly \$57.00 per square foot of actual building value. The sales comparables provided are suggesting that improvements of average condition in the range of 3,200 to 5,000 square feet have some contributory value to the property. The CARB acknowledges that the subject is slightly older and has a general condition inferior to the comparables and so does the assessment. Without the supporting documents and any evidence as to why the appraisal is discounting the subject improvements to no value the CARB is not persuaded to set the assessment equivalent to vacant land.

DECISION

The assessment is confirmed at \$643,500.

Dated this 2nd day of February, 2012, at the City of Edmonton, in the Province of Alberta.

D. H. Marchand, 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: KOLMAR PROPERTIES LTD.