



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 77/11

Mordechai Kleiner
10817 - 139 Street NW
Edmonton, AB T5M 1P6

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 25, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1555523	17311 108 Avenue NW	Plan: 7823496 Unit: 7A	\$264,000	Annual New	2011

Before:

Dean Sanduga, Presiding Officer
Reg Pointe, Board Member
Taras Luciw, Board Member

Board Officer:

Nicole Hartman

Persons Appearing on behalf of Complainant:

Miriam Kleiner
Mordechai Kleiner

Persons Appearing on behalf of Respondent:

Mary-Alice Nagy, City of Edmonton, Assessor
Rebecca Anderson, City of Edmonton, Law Branch

PRELIMINARY MATTERS

There were no preliminary matters. Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board.

BACKGROUND

The subject property is a main floor industrial condominium located at 17311 – 108 Avenue. The subject was built in 1978 and contains 1,511 square feet with a lot size of 3,421 square feet. The subject is assessed on a direct sales comparison approach to value.

ISSUE(S)

Is the subject property's assessment 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.

POSITION OF THE COMPLAINANT

The Complainant did not provide written evidence at the hearing. A memo attached to the original complaint form (three pages) that described the property and a condominium plan of the building in which the subject unit is located was taken into evidence and entered as exhibit C-1.

The subject property is one of the main floor units in a condominium office/warehouse complex. The Complainant described the complex as suffering from severe fundamental design weakness that puts the individual value below the market average. Specifically, the telephone lines and electrical work are outdated and the units do not have separate water meters. The Complainant further stated that the property has a major design weakness in that the units have been constructed "back to back" thereby only having access from the front of the bays. Existing tenants in the complex were described as inferior businesses such as a car wash, an automotive detailing shop and a chemical company. The Complainant advised that he is the owner of the chemical company.

The Complainant advised that seven units in the complex sold for \$195,000 each in 2008 and that prices have come down since. Accordingly, a reduction to \$190,000 was requested.

POSITION OF THE RESPONDENT

The subject property is assessed at \$264,000 using a mass appraisal methodology with sales occurring from January, 2007 through June, 2010 for model development and testing. The primary factors affecting the value of the condominium warehouse inventory are location, size of lot, age, main floor area, finished main floor area and developed second floor and mezzanine area.

The condominium complex has quality tenants such as Madison Taylor Mortgage Corp., Certified Hoist Repair Ltd., Applegates Gift Baskets, West Side Auto Detailing and Chartered Accountants.

The Respondent identified four sales comparables located close to the subject (R-1, page 27). These comparables sold in a range of \$157.78 to \$179.41 per square foot, supporting the subject assessment at \$174.68 per square foot. Two additional sales brought forward by the Complainant, numbers five and six, were in the same complex as the subject. However, number five is a second floor unit, which typically sell for less, and number six has approximately one quarter of its area in upper mezzanine space. The Respondent pointed out that the seven units in the complex that sold in July 2008 (R-1, page 16) were all part of one transaction.

The seven equity comparables located in the same complex as the subject (R-1, page 36) range in assessment from \$168.77 to \$179.64 per square foot, supporting the subject assessment at \$174.68 per square foot.

DECISION

The decision of the Board is to confirm the 2011 assessment at \$264,000.

REASONS FOR THE DECISION

The Board is persuaded by the Respondent's time adjusted sales comparables which average \$170.19 per square foot, whereas the subject is assessed at \$174.68 per square foot.

The Board found that the Respondent's seven equity comparables, located in the same complex as the subject, which range in assessment from \$168.77 to \$179.64 per square foot, also support the subject assessment at \$174.68 per square foot.

The Board is satisfied that the subject property is in average condition.

The Board noted that in 2008 the Complainant sold six units in the same complex to one party; in the opinion of the Board, such a bulk sale does not reflect a normal market value.

The Board noted that the Complainant's sale comparable at \$195,000 is an upper level unit.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 9th day of August, 2011, at the City of Edmonton, in the Province of Alberta.

Dean Sanduga, 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, R.S.A. 2000, c.M-26.

cc: Miriam Kleiner