



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION 0098 84/11

Kamil Issa, Limak Investments Inc
10212 136 street
Edmonton, AB T5N 2E4

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:
4994612	8630 126 Avenue NW	Plan: 4207KS Block: 58A Lot: 5	\$1,447,000	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:

Pam Gill

Persons Appearing on behalf of Respondent:

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

PRELIMINARY MATTERS

The Complainant was represented by Ms. Pam Gill. She submitted a letter signed by the Complainant, Mr. Kamil Issa, dated July 25, 2011 authorizing Ms. Gill to be his representative at this hearing. The Respondent's legal counsel, Ms. Rebecca Anderson, directed the Board's attention to *Matters Relating to Assessment Complaint Regulation*, section 51, Alberta Regulation 310/2009, wherein an agent must be authorized by a form specified as Schedule 4, therefore the Board should not allow Ms. Gill to represent the Complainant. Ms. Gill advised the Board that she was not being paid a fee for this appearance.

The Board reviewed Schedule 4, section 3, and found that Ms. Gill was not acting in the capacity of an agent. The Board therefore accepted the letter of authorization from the Complainant.

BACKGROUND

The subject property is an industrial warehouse containing 12,000 square feet of main floor area plus 1,729 square feet of finished upper mezzanine area for a total of 13,729 square feet. It is situated on a 46,626 square foot lot and is located at 8630 – 126 Avenue, in the Yellowhead Corridor East neighbourhood.

The direct sales comparison approach was used to value the subject property.

ISSUE(S)

Is the 2011 assessment of the subject property 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 submitted written evidence in the form of a letter to the City of Edmonton Assessment and Taxation Branch, dated May 23, 2011 with the following attachments: a two page letter referencing an appraisal of the subject property; an accepted offer to purchase the subject property; a data sheet prepared by The Network on one neighbouring property that sold

on April 26, 2010; and two realtor listing pages. One page was a listing offering the property for lease and one page was the listing that resulted in the sale of the subject property to the Complainant. This evidence was entered as exhibit C-2.

The subject property was listed for lease offering 8,540 square feet at a rate of \$7.50 per square foot and was on the market for 217 days but had no lease offers during that time.

The Complainant stated that the subject property was appraised on July 16, 2010 for \$1,185,000. It was listed for sale on August 10, 2010 for \$1,350,000. The Complainant made an offer for \$1,150,000 (\$82 per square foot) on October 13, 2010 which was accepted by the Vendor on October 15, 2010. The Complainant submitted that the purchase price is the true value, and requested that the Board reduce the assessment to \$1,150,000.

A similar property two blocks away that sold for \$63.55 per square foot on April 26, 2010 is considered by the Complainant to be a good sale comparable.

POSITION OF THE RESPONDENT

The subject property is assessed at \$1,447,000 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 warehouse inventory are location, size of lot, age, main floor area, finished main floor area and developed second floor and mezzanine area.

The direct sales comparison approach was used to value the subject property. The sale of the subject was recently completed, and took place on October 26, 2010, well after the July 1, 2010 valuation date.

The Respondent identified six sales comparables located near the subject (R-1, page 23). These comparables sold for an average of \$104.64 per square foot, which supports the subject property assessment at \$105.40 per square foot. The subject is superior to the comparables as it is newer, built in 1979, and has considerably lower site coverage at 28%. In addition, a minus 10% adjustment has been applied to the subject to recognize the limited access to the rear of the property.

Seven equity comparables, located near the subject, were assessed in a range of \$82.15 to \$140.98 per square foot with an average of \$110.42; this supports the assessment at \$105.40 per square foot (R-1, page 31).

The Respondent asked the Board not to give much weight to the two page evaluation analysis provided by the Complainant as it was not supported by the full appraisal report and therefore may not have comparable input data. In addition, the sale of the subject took place with vendor financing, subsequent to the valuation date, and has not been time adjusted back to the July 1, 2010 valuation date.

DECISION

The decision of the Board is to confirm the 2011 assessment in the amount of \$1,447,000.

REASONS FOR THE DECISION

The Board was satisfied that the sales and equity comparables submitted by the Respondent support the assessment of the subject property at \$1,447,000.

The Board placed less weight on the valuation analysis submitted by the Complainant. The valuation analysis was a summary only and did not contain the details of the appraisal on which a fair comparison could be made to the subject property.

The Board noted that a sale of the subject property took place at a value lower than the assessment. However, this sale was after the July 1, 2010 valuation date and included vendor take-back financing.

The Board also noted that the owner attempted to lease the property, without success, prior to listing the property for sale.

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.
