



ASSESSMENT REVIEW BOARD

Churchill Building
10019 103 Avenue
Edmonton AB T5J 0G9
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NOTICE OF DECISION NO. 0098 868/11

COLLIERS INTERNATIONAL REALTY
ADVISORS INC
1000-335 8TH AVE SW
CALGARY, AB T2P 1C9

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 March 16, 2012, respecting a complaint for:

| Roll Number | Municipal Address | Legal Description | Assessed Value | Assessment Type | Assessment Notice for: |
|-------------|-------------------|-----------------------------------------------|----------------|-----------------|------------------------|
| 8768251 | 8940 82 Avenue NW | Plan: 5036S Block: 25 Lot: 10, 11, etc. | \$4,018,000 | Annual New | 2011 |

Before:

Warren Garten, Presiding Officer
George Zaharia, Board Member
Tony Slemko, Board Member

Board Officer: Jason Morris

Persons Appearing on behalf of Complainant:

Stephen Cook, Colliers International

Persons Appearing on behalf of Respondent:

Ryan Heit, Assessor, City of Edmonton
Chris Rumsey, Assessor, City of Edmonton

PROCEDURAL MATTERS

The parties indicated they had no objection to the composition of the Board. In addition, the Board members indicated they had no bias on this file.

PRELIMINARY MATTERS

There were no preliminary matters.

BACKGROUND

The subject property is a retail space with two buildings built in 1958 and 1961, located at 8940 – 82 Avenue NW within the Bonnie Doon neighborhood of east Edmonton. The property improvement has approximately 24,855 square feet of main floor space and 2,051 square feet of basement space, situated on a lot 64,891 square feet in size, resulting in a 38% site coverage.

The property was assessed on the income approach resulting in a 2011 assessment of \$4,018,000.

ISSUE(S)

Is the 2011 assessment of the subject property at \$4,018,000 fair and equitable considering its location, age and quality, and a shortage of on-site parking?

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

1. The Complainant provided a recent assessment history of the subject property that showed an 11.2% increase in the 2011 assessment compared to the 2010 assessment, arguing that the assessment did not take into consideration its location, age and quality (Exhibit C-1, page 7).
2. In consideration of the location, age, and quality of the subject, it was the Complainant's opinion that for the main floor space of building one "*a more reasonable rental rate of \$12.00 is more appropriate*" (Exhibit C-1, page 7).

3. By applying this reduced rental rate to the main floor space of building one, a reduced assessment of \$3,661,194 is the result (Exhibit C-1, page 8). The Complainant stated that this reduced value is much more in line with the 2010 assessment of \$3,614,000 (Exhibit C-1, page 14).
4. Although the Complainant stated “*there is some parking at the sides of the property*”, this parking is deemed insufficient, necessitating additional parking across the alley from the subject on another property that is also subject to appeal (Exhibit C-1, page 7).
5. The Complainant included assessment information of this other property, arguing that its assessment is too high. The Complainant provided a recent assessment history of this other property that showed an 18.7% increase in the 2011 assessment compared to the 2010 assessment, arguing that there had not been any sales to justify an 18.7% increase in assessment. The Complainant argued that the assessment of the other property be reduced to its 2010 assessment of \$1,097,500 based on a value of \$26.00 per square foot, from its 2011 assessment of \$1,302,500 or \$31.24 per square foot (Exhibit C-1, pages 12 & 13).
6. The Complainant stated that if the owner tried to sell the subject property, the value would be greatly affected by the lack of on-site parking.
7. The Complainant submitted a Rebuttal of the Respondent’s comparables, suggesting that they were not appropriate due to traffic counts, being located in different market zones and the ages of the comparables were all newer.
8. As a result of the parking issue, the Complainant requested the Board to reduce the 2011 assessment of the subject property at \$4,018,000 by the requested reduced 2011 assessment of \$1,097,500 of the other property used for parking, resulting in a value of \$2,920,500.

POSITION OF THE RESPONDENT

1. The Respondent submitted a brief that included three comparable equity rents for retail properties that showed main rents from 13.00 to \$15.50 per square foot compared to the rent of building one of the subject property at \$13.75 per square foot (Exhibit R-1, page 28).
2. The Respondent argued that the Complainant had not provided any evidence that the 2011 assessment of the subject property is too high (Exhibit R-1, page 81).
3. The Respondent requested the Board to confirm the 2011 assessment of the subject property at \$4,018,000.

DECISION

The decision of the Board is to confirm the 2011 assessment at \$4,018,000.

REASONS FOR THE DECISION

1. The Board placed little weight on the Complainant's request to reduce the rental rate for the main floor of building one from \$13.75 per square foot to \$12.00 per square foot in absence of any comparable rents that would indicate that the \$13.75 per square foot was too high.
2. Although the Complainant requested a reduction in the applied rental rate of \$13.75 to \$12.00 per square foot, the Complainant failed to provide the subject's current rent roll.
3. The Board placed little weight on the Complainant's position that parking on the subject property was insufficient. The Complainant did not provide the Board with any evidence that would prove that the available parking on the subject property did not meet any city requirements or by-laws, necessitating the use of parking on another property across the alley.
4. In absence of any proof that the subject property required parking on another property, the Board completely dismissed the Complainant's request to reduce the 2011 assessment of the subject property at \$4,018,000 by \$1,097,500 (the requested reduced amount of the other property used for parking).
5. The Board considered the Complainant's assertion that if the subject property was being sold, "*the value would be greatly affected by the lack of on-site parking*" as hypothetical since there was no evidence that that would be the case.
6. The Board placed greater weight on the rent equity comparables submitted by the Respondent. Although the Complainant argued that two of the three comparables were on roads with higher traffic counts, and that all were located in different market zones, the Board was persuaded that the comparable rents that encompassed the subject's main floor rent of building one supported the subject's rent, and hence the assessment
7. The Board was persuaded that the 2011 assessment of the subject property at \$4,018,000 was fair and equitable.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 13th day of April, 2012, at the City of Edmonton, in the Province of Alberta.

Warren Garten, 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: 2792800 CANADA LIMITED