

July 15, 2011

NOTICE OF DECISION
CARB 0302 - 01/2011

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Strathcona County
Assessment and Taxation
2001 Sherwood Drive
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This is a decision of the Composite Assessment Review Board from a hearing held on June 15, 2011 regarding a complaint for:

Hearing #	Appellant/Owner	Property Description	Roll #	Assessed Value
C2011-3	Real Storage GP Inc.	Lot 17, Block 1, Plan 0725384 2580 Broadmoor Boulevard	3309511706	6,203,000
C2011-4	DGS Holdings Alberta Inc. and WJR Holdings Alberta Inc.	Lot 16, Block 1, Plan 0725384 2580 Broadmoor Boulevard	3309511608	2,071,000

Before:

Tom Robert, Presiding Officer
Susan Paul, Board Member
Ryan Bosch, Board Member

Persons Appearing: Complainant

Bill Roberts, Real Storage GP Ltd.

Persons Appearing: Respondent

George Cosens, Assessment Coordinator
Wayne Minke, Director, Assessment & Tax

PRELIMINARY MATTERS

A preliminary matter was raised by the Respondent in regard to a late filing of new evidence. The evidence was submitted May 13, 2011, ten days after the complainant disclosure date of May 3, 2011.

The Complainant advised he would reference the information filed with the complaint and not reference this new evidence, therefore the Board disregarded this material.

The Respondent had requested that the respondent evidence before the Board be held in confidence due to the content of privileged information and as such the board has agreed to seal the evidence as requested.

BACKGROUND

The subject properties are located at 2580 Broadmoor Boulevard. The land consists of two lots, represented by two roll numbers, 3309511706 and 3309511608. Lot 17 (3309511706) is improved with a Mini Storage Warehouse and Office. Lot 16 (3309511608) is vacant land.

ISSUE

What is the market value of the subject properties as of July 31, 2010?

POSITION OF THE COMPLAINANT

The Complainant argued that the subject properties were purchased in January 2011 for a value of \$5,850,000, allocated from a larger sale of \$16,000,000 more or less. The allocation was completed by a third party (Deloitte). The allocated amount represents market value, as determined by the independent auditor (Deloitte).

Further, the Complainant argued that the sales comparables as presented by the Respondent are not similar to the subject in that three of the sales comparables are not within Strathcona County or near the subject. The sales comparable #1 next to the subject is dated (October 2007) and represents much higher values than 2010 comparables.

POSITION OF THE RESPONDENT

The Respondent put forward four sales comparables, ranging in value from \$508,500 per acre to \$684,200 per acre. Three of the four sales were in the City of Edmonton. The indicated best comparable (Sale #1) is located next to the subject at 2540 Broadmoor Boulevard with an assessed value of \$731,800 per acre. The Respondent further advised after required adjustments the indicated value of the best comparable was \$627,200 per acre compared to the subject at \$531,000 per acre. (The adjustments were 10% right in, right-out access and 5% for corner influence).

The zoning of the subjects are IM and the comparable at 2540 is C5 which also required further value adjustment. In total the assessed value of the subject properties are 25% less than the best comparable.

The Respondent further argued that the allocated value as presented by the Complainant was not supported. The total sale of five properties totaling a value of \$16,000,000 more or less, must be supported by a detail breakdown of value, and how it was arrived at. This information was not provided.

DECISION

The decision of the Board is to confirm the 2011 assessments of \$6,203,000 for Roll#3309511706 and \$2,071,000 for Roll# 3309511608.

REASONS FOR THE DECISION

The Board is of the view that a detailed breakdown or an appraisal is required to support an allocation of a single property value from a multi property purchase. In regard to the subject properties, no substantial evidence was presented to the Board to indicate a market value for these properties. The sale was part of a \$16,000,000 more or less, purchase of five properties in various locations.

Further, it was noted that this sale took place in January 2011, which is post facto to the assessment year of 2010 (July 1, 2010).

In regard to sales comparables, the only comparable close to the subject was supported by the sale as well as adjustments for corner influence, access and zoning. The assessed value of the subject properties are 25% less than the assessment of the closest comparable property.

The Board did not receive sufficient evidence from the complainant to adjust the subject assessments.

Dated this 15th day of July, 2011 at Strathcona County, in the Province of Alberta.


Tom Robert
Presiding Officer

Documents Received and Considered by the Board

Roll # 3309511706

1. Exhibit 1-C Complainant Disclosure filed May 13, 2011
(late filing – considered new evidence; not presented by complainant)
2. Exhibit 2-R Respondents Disclosure filed May 31, 2011

Roll # 3309511608

1. Exhibit 1-C Complainant Disclosure filed May 13, 2011
(late filing – considered new evidence; not presented by complainant)
2. Exhibit 2-R Respondents Disclosure filed May 31, 2011

Section 470(1) of the Municipal Government Act, RSA 2000, c.M-26 provides you the right to appeal this decision to the Court of Queens Bench on a question of law or jurisdiction. You must make your appeal within 30 days after you receive this notice of decision.

Copy to: Municipal Government Board