

July 4, 2012

**NOTICE OF DECISION
CARB 0302 - 03/2012**

Colliers International Realty Advisors Inc.
3555 Manulife Place
10180 – 101 Street
Edmonton, AB
T5J 3S4

Strathcona County
Assessment and Taxation
2001 Sherwood Drive
Sherwood Park, AB T8A 3W7

This is a decision of the Composite Assessment Review Board from a hearing held on June 19, 2012 regarding a complaint for:

Hearing #	Appellant/Owner	Property Description	Roll #	Assessed Value
C2012-8	Dundee Canada (GP) Inc.	SE 30-52-23-W4 Plan 2877TR Block 1 Lot 6 1919 – 84 Avenue Sherwood Industrial Estates	2330107000	4,228,000

In the matter of the complaint against the property assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act), and its Regulations.

Before:

Darryl Trueman, Presiding Officer
Susan Paul, Board Member
Tom Robert, Board Member

Board Officer: Maureen Shaw

Persons Appearing: Complainant

Stephen Cook, Colliers International
Greg Jobagy, Colliers International

Persons Appearing: Respondent

Serge Tremblay, Assessment & Tax
Jeff McKinnon, Assessment & Tax

PRELIMINARY MATTERS

There were no objections to the composition of the Board or the process to be followed as outlined by the Presiding Officer.

BACKGROUND

The subject property is an industrial facility consisting of three buildings on a 3.67 acre land base demonstrating a site coverage of 30%. The improvements consist of a main building and two smaller fabric covered storage buildings with an actual area of 48,365 ft.². This is some 356 ft.² smaller than the assessor's calculation of 48,721 ft.² however, at hearing the assessor was able to explain that the difference was a result of his cost manuals inability to deal with site improvements and this difference was not identified as an issue by the Complainant. The property is located in "Sherwood Industrial" and carries a land-use classification of IM. The Complainant agreed that the Assessor's use of the Cost Approach to Value in this case was appropriate.

ISSUE

What is the best conclusion of land value, to be used in the Assessor's Cost Approach to Value, for assessment of the subject property?

POSITION OF THE COMPLAINANT

The Complainant testified that there had been very few recent sales of industrial land similar to the subject. He said that he had only been able to find two and he presented these in chart form at page 8 of document C1. They demonstrated an average selling price in September and August of 2010 of \$387,202 per acre. The Complainant presented further industrial sales which had occurred in the Edmonton area, the Acheson area and in the Nisku area. He charted these at page 16 of document C1. They demonstrated an average of \$306,081 per acre. He went on to say that an Avison Young market report for the timeframe in question indicated that \$368,966 per acre for serviced land was established. The Complainant pointed out that the Assessor had used a land value of \$454,768 per acre in his assessment calculation and that in his opinion a value of \$380,000 per acre was more appropriate. He said that this was the basis for his request for a reduced assessment to \$3,871,500.

POSITION OF THE RESPONDENT

The Respondent presented a chart of six sales which were located in close proximity to the subject property. He went on to point out that while two of the sales were post facto, i.e. occurring in August and September of 2011 they received verbal confirmation that they were negotiated before July 1, the valuation date. In as much as these sales ranged from \$462,000 per acre to \$517,500 per acre, and given that four of them occurred in a relevant timeframe as well as their close proximity and similar level of servicing to the subject, the assessor reckoned that there was more than adequate support for his assessed value of \$454,768 per acre.

COMPLAINANT REBUTTAL

The Complainant testified that two sales presented by the Respondent were post facto and should not be considered as part of the assessor's defense of his assessment. The Complainant went on to point out, with a chart of four sales of smaller industrial properties that had occurred in the relevant timeframe, that there was an economies of scale difference which should be applied to his subject property, which was larger than some of the respondent comparables.

DECISION

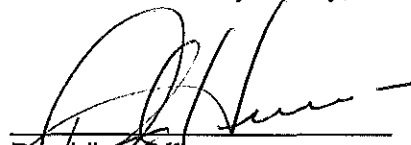
The complaint is denied and the assessment is \$4,228,000.

REASONS FOR THE DECISION

The Board was not persuaded by the Complainants two best comparables which were located in Griffon Industrial Estates which is located at least 3 miles northeast of the subject property. The Board preferred the evidence of the Respondent, primarily based upon similarity of location. The Complainant's argument of economies of scale failed because of the location of his economies of scale comparables and the land-use classification of one of these comparables.

The Board placed little weight on the Avison Young report or sales evidence in Edmonton, Acheson and Nisku because of its general nature and lack of specificity. The Board agreed that the post facto sales should be excluded as evidence however, decided that the Respondent's adjoining neighborhood sales provided adequate evidence for the Assessor's conclusion respecting land value.

Dated this 4th day of July, 2012 at Strathcona County, in the Province of Alberta.



Presiding Officer

1. Exhibit C1 Complainant Disclosure filed May 8, 2012
2. Exhibit R1 Respondents Disclosure filed June 4, 2012
3. Exhibit C2 Complainant Rebuttal filed June 11, 2012

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