

Composite Assessment Review CARB

REGIONAL MUNICIPALITY OF WOOD BUFFALO CARB ORDER CARB 017-2012

IN THE MATTER OF A COMPLAINT filed with the Regional Municipality of Wood Buffalo Composite Assessment Review Board (CARB) pursuant to Part 11 of the *Municipal Government Act*, being Chapter M-26 of the Revised Statutes of Alberta 2000.

BETWEEN:

LREIT HOLDINGS 44 CORPORATION as represented by Collier's International Valuation & Advisory Services - Complainant

and

The Regional Municipality of Wood Buffalo - Respondent

BEFORE:

J. Acker, Presiding Officer
C. Flett, Member
E. McRae, Member

Appeared on behalf of the Complainant:

Stephen Cook, Associate Vice President
Greg Jobagy, Analyst

Appeared on behalf of the Respondent:

Barry Campbell, Non Residential Supervisor
Ryan Sweeney, Assessor II

ROLL NUMBER: 50500960
LOCATION ADDRESS: 302 Parsons Creek Drive, Fort McMurray
HEARING NUMBER: 12-021
ASSESSMENT: \$41,667,140

This complaint was heard on 29th day of September 2012 at the council chambers of the Regional Municipality of Wood Buffalo located at 9909 Franklin Avenue, Fort McMurray, Alberta.

Board's Decision in Respect of Procedural or Jurisdictional Matters:

1. Before the commencement of the hearing, both parties agreed that the subject and a property at 101 Loutit Road share the same evidence and argument. The Board agreed to hear both properties in a single hearing and that all questions and answers from both parties that were not specific to an individual property would be carried over to each of the cases before the Board.
2. Each property will be dealt with in separate Board Orders.

Property Description:

3. The subject is a 4.74 acre parcel improved with two 4 storey wood frame apartment buildings. The improvements include 3 offices, 1 bachelor unit, 12 one bedroom units, and 176 two bedroom units for a total of 192 units. Also included on this parcel are 184 underground parking stalls and 131 surface parking stalls.

Issues:

4. The subject property assessment at \$217,016/unit is not consistent with its market value. Comparable properties indicate a valuation at \$150,000/unit.

Complainant's Requested Value: **\$ 28,800,000**

Board's Decision in Respect of Each Matter or Issue:

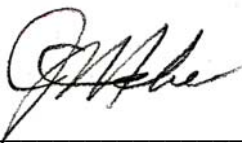
5. In support of the Complainant's request for a reduced assessed value, he provided the Board with a direct sales comparison approach using 6 comparable properties; three of which are located in Fort McMurray, and three that are located in Edmonton (2) and Spruce Grove.
6. The range of values indicated by sales that occurred between June 2007 and November 2010 extended from a low of \$103,186 to \$454,545. The Complainant argued that an average value would indicate \$150,000/unit.
7. The Respondent provided detail on the approach taken by the assessor in using the income approach to value using typical values for the subject property's market area. This income calculation used typical Fort McMurray rental values, a vacancy allowance of 10%, a 25% stabilized expense allowance and an 8.25% CAP rate.
8. The Board examined the testimony and evidence of the parties and was not persuaded that the markets in Edmonton and Spruce Grove were in any way comparable to that found in Fort McMurray. Accordingly, those comparables were given little weight. The remaining three properties cited by the Complainant exhibit an average value of \$317,234/unit that is approximately 30% higher than the subject's assessed value.

9. Having determined that the Complainant's own evidence did not support a reduction in assessment, the Board did not pursue further investigation into the Respondent's typical values as used in his income approach to value

Board's Decision:

The complaint is dismissed and the assessment is confirmed at \$41,667,140

Dated at the City of Edmonton on the 24th day of October 2012.



J. Acker
Presiding Officer

An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.

Any of the following may appeal the decision of an assessment review board:

- (a) *the complainant;*
- (b) *an assessed person, other than the complainant, who is affected by the decision;*
- (c) *the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) *the assessor for a municipality referred to in clause (c).*

An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to

- (a) *the assessment review board, and*
- (b) *any other persons as the judge directs.*

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Commercial	Office/Retail	Income Approach	Chronic Vacancy

APPENDIX “A”

DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure