

Composite Assessment Review CARB

REGIONAL MUNICIPALITY OF WOOD BUFFALO CARB ORDER CARB 018-2012

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:

TREIT HOLDINGS 8 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
Matthew Moore, Assessor I

ROLL NUMBER:	30620260
LOCATION ADDRESS:	435 Gregoire Drive, Fort McMurray
HEARING NUMBER:	12-023
ASSESSMENT:	\$17,401,000

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.

Property Description:

1. The subject property is a 2.743 acre parcel improved with a 23,863 sq. ft. full service hotel built in 2003 and fronting on to Gregoire Drive, a major commercial roadway in Fort McMurray. This hotel operates under the Radisson Hotel franchise and contains 134 suites plus a restaurant, swimming pool, meeting and banquet facilities.

Issues:

2. The subject property has experienced an increase of approximately \$2.6 million in assessment value since the 2011 valuation that represents an increase of 15%. This increase is not reflected in market sales of similar properties.

Complainant's Requested Value: **\$ 15,916,000**

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

3. In support of the Complainant's request for a reduced assessed value he presented data on 17 competitive hotel properties in the Fort McMurray market with brief comments on each.

4. The Complainant used the direct comparison approach to value as opposed to the Respondent's use of the income approach to value.

5. The Complainant entered into evidence four comparable properties located in Leduc, Airdrie, Calgary and Lethbridge that sold between January and October 2009 with prices per unit ranging from \$60,920 to \$146,829. The arithmetic average of these sales approximates the \$120,000/unit value sought by the Complainant in this matter.

6. The Respondent challenged the similarity of the comparable properties submitted by the Complainant and noted that only the Best Western in Airdrie (comparable #2) is a full service hotel similar to the subject. All other comparables are limited service operations.

7. The Board reviewed the testimony and evidence of the parties and found that the best comparable advanced by the Complainant (comparable #2) exhibits a market value of \$137,500. This value exceeds that of the assessed value of the subject at \$130,385.


Board's Decision:

8. The complaint is dismissed and the assessment is confirmed as follows: **\$ 17,401,000**

9. The Board was not satisfied that the Complainant had established sufficient doubt as to the correctness of the assessment as rendered. His direct sales comparison approach could not persuade the Board that those comparables selected from other markets in Alberta were sufficiently similar to the subject property located in Fort McMurray. The Respondent was able to produce 7 sales that transacted in Fort McMurray between Feb 2007 and February 2012 including two sales of the subject itself. All of these time-adjusted sales display values considerably in excess of the assessed value per room for the subject.

10. The Board, having found the subject assessment to reflect market values in Fort McMurray for this class of property, had insufficient information on previous assessments to form any opinion of the reasons for the year to year increase in assessed value.

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

A handwritten signature in black ink, appearing to read 'J. Acker', is written over a horizontal line.

J. Acker
Presiding Officer

APPENDIX “A”

DOCUMENTS PRESENTED AT THE HEARING AND CONSIDERED BY THE BOARD:

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. R2	Respondent Law & Legislation

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	Hotel	Income Approach	