



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
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NOTICE OF DECISION NO. 0098 31/10

CANADIAN VALUATION GROUP
1200, 10665 JASPER AVENUE
EDMONTON, AB T5J 3S9

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 hearings held on July 5-6, 2010 respecting an appeal on the 2010 Annual New Realty Assessment.

Roll Numbers 9954252	Municipal Address 9410 – 37 Ave	Legal Description Plan 6207KS Block 5 Lot 3
Assessed Value \$2,752,500	Assessment Type Annual - New	Assessment Year 2010

Before:

Patricia Mowbrey, Presiding Officer
Ron Funnell, Board Member
Reg Pointe, Board Member

Persons Appearing: Complainant

Peter Smith, Agent

Persons Appearing: Respondent

Cherie Skolney, Assessor
Cameron Ashmore, Solicitor
Bonnie Lantz, Senior Assessor

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

There were no preliminary issues raised by the parties and the Respondent did not have any recommendations for the properties under appeal.

ISSUES

Is the 2010 assessment fair and equitable?

LEGISLATION

The Municipal Government Act, R.S.A. 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

The Complainant's position is that the subject property's 2010 assessment is excessive when compared to sales of similar properties. The subject property is a single-tenant warehouse comprised of one building built in 1985 with an effective age of 1996 and a total building area of 10,554 square feet. The 2010 assessment equates to \$260.80 per square foot.

The Complainant stated the important factors affecting the value of an industrial property are primarily age, location, and site coverage. The subject site coverage is 8% which is less than the typical 35% site coverage for an industrial property, thereby creating excess land and added value.

A colour photograph (C2) and twelve sales comparables (C1, pg. 1) were provided by the Complainant to which comparables #2, #10, and #11 were presented as more comparable in size to the subject property whereas sales #3 and #12 are more comparable in site coverage.

The Complainant placed most weight on the sales with similar physical and location characteristics to the subject property and equated a value of \$150 per square foot or a requested reduction in the 2010 assessment to \$1,583,000.

POSITION OF THE RESPONDENT

The Respondent indicated, for the purposes of the 2010 annual assessment, the sales comparison approach was employed since there was sufficient data to derive reliable value estimates.

Mass appraisal is used to derive typical values and sales occurring between January 2006 through June 2009 in model development and testing (R1, pg. 7).

Exhibit R2 (law and legislation) was submitted by the Respondent to reinforce the applicable legislative provisions relating to the 2010 assessment.

The Respondent submitted three sales (R1, pg. 19) and seven equity comparables (R1, pg. 23) to support the assessment.

The Respondent indicated the sales comparables put forward by the Complainant are considered questionable due to motivated sales, non-arms length transactions, and condition.

FINDINGS

The subject property has no mezzanine area. The total square foot building area of 10,554 square feet is used by the Complainant and the Respondent in calculating the assessed value per square foot.

DECISION

The decision of the Board is to reduce the 2010 assessment from \$2,752,000 to \$2,079,500,

REASONS FOR THE DECISION

1. The Board reviewed the Respondent's sales comparables (R1, pg. 19) and noted the Respondent gave greatest weight to sales comparable #3 as it is most similar in lot size, age, condition, total building area, and, most importantly, site coverage.
2. The Board reviewed the Complainant's sales comparables (C1, pg.1) and noted the Complainant indicated that sales # 2, #10, and #11 were most comparable in size and sales #3 and #12 in site coverage. The Board found sales #2 is a non-arms length transaction while #10 and #11 were sales that took place after the July 1, 2009 valuation date and could not be considered. Sales #3 and #12 are noted to be higher site coverage than the subject property at respectively 16% and 15% while the subject property has half the site coverage at 8%.
3. The Board noted the Complainant submitted 2010 assessments per square foot for the Respondent's three sales comparables (R1, pg. 19) and since the Respondent selected sales #3 as their best sales comparable, the Board accepts the 2010 assessed value per square foot of \$197.03 (C3, pg. 2) for sales comparable #3 and when applied to the subject property equals a 2010 assessment of \$2,079,500.
4. The Board finds based on the evidence presented that the 2010 assessment is too high and reduces it from \$2,752,000 to \$2,079,500.

Dated this seventh day of July 2010 A.D. at the City of Edmonton, in the Province of Alberta.

Presiding Officer

CC: Municipal Government Board
City of Edmonton, Law Branch
City of Edmonton, Assessment & Taxation Branch
364661 Alberta Ltd.

