

NOTICE OF DECISION NO. 0098 111/12

Altus Group
780-10180 101 Street NW
Edmonton, AB T5J 3S4

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 a hearing held on July 16, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1041003	15935 118 Avenue NW	Plan: 8121071 Block: 3 Lot: 11	\$4,195,000	Annual New	2012

This decision may be appealed to the Court of Queen's Bench on a question of law or jurisdiction, pursuant to Section 470(1) of the Municipal Government Act, RSA 2000, c M-26.

cc: INLETT INC

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2012 ECARB 000903

Assessment Roll Number: 1041003

Municipal Address: 15935 118 Avenue NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
John Noonan, Presiding Officer
Jack Jones, Board Member
Pam Gill, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer, the parties before the Board indicated no objection to the Board's composition. In addition, the Board Members indicated no bias with respect to this file.

Background

[2] The subject property is an average condition, industrial warehouse, built in 1978 and is located in the Alberta Park Industrial neighborhood. It has 33,932 square feet of main floor area of which 6,566 square feet is office space and 6,566 of upper office space for a total area of 40,499 square feet. The subject property has site coverage of 25% and has been assessed for 2012 utilizing the direct sales comparison approach to valuation based on sales occurring between January 2008 and June 2011. The subject property has also been assessed with the attribute of being located on a major roadway.

Issues

[3] The complaint form listed ten issues for complaint, however at the hearing the Complainant only presented evidence and argument on the following issues:

Issue 1: Is the 2012 assessment of the subject property at \$4,195,000 fair?

Issue 2: Is the assessment equitable?

Legislation

[4] The *Municipal Government Act* reads:

Municipal Government Act, RSA 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

[5] The Complainant presented evidence (C-1) and argument for the Board's review and consideration.

[6] The Complainant presented four sales comparables (C-1, page 8) in support of a requested reduction to the 2012 assessment of the subject property. The Complainant advised that the sales comparables had been time adjusted to the valuation date of July 1, 2011 utilizing the same factors used by the Respondent (C-1, pages 16 & 17). The comparables presented ranged in value from \$47.88 to \$116.23 per square foot compared to the assessed value of \$103.58 per square foot. Utilizing the median value of these comparables as a guideline, the Complainant indicated an appropriate unit valuation for the subject property would be \$74.00 per square foot for a total valuation of \$2,996,500.

[7] The Complainant also presented three equity comparables (C-1, page 9) in support of a requested reduction to the 2012 assessment of the subject property. The comparables presented ranged in value from \$84.60 to \$95.07 per square foot compared to the assessed value of \$103.58 per square foot. Utilizing the median value of these comparables as a guideline, the Complainant indicated an appropriate unit valuation for the subject property would be \$94.50 per square foot for a total valuation of \$3,827,000. The Complainant noted that two of the equity comparables presented (C-1, page 9, #1 & 3) were also used by the Respondent (R-1, page 13, #1 & 4).

[8] In summary the Complainant requested the 2012 assessment of the subject property be reduced from \$4,195,000 to \$2,996,500.

Position Of The Respondent

[9] The Respondent presented evidence (R-1 & R-2) and argument for the Board's review and consideration.

[10] The Respondent presented six sales comparables (R-1, page 6) in support of the 2012 assessment of the subject property. The comparables presented ranged in value from \$93.27 to \$147.57 per square foot compared to the assessed value of \$103.58 per square foot.

[11] The Respondent also presented eight equity comparables (R-1, page 13) in support of the 2012 assessment of the subject property. The comparables presented ranged in value from \$84.60 to \$110.22 per square foot compared to the assessed value of \$103.58 per square foot.

[12] The Respondent noted that properties located on major roadways were typically assessed at a value approximately 10% higher than properties that did not have this attribute. The Respondent also stressed the importance of considering all factors in the valuation process (R-1, page 29 & 30) which include age, location, lot size, area, finished area, condition and site coverage.

[13] In summary the Respondent requested the 2012 assessment of the subject property be confirmed at \$4,195,000.

Decision

[14] The decision of the Board is to reduce the 2012 assessment of the subject property from \$4,195,000 to \$3,847,500.

Reasons For The Decision

[15] After review and consideration of the evidence and argument presented by both parties, the Board determined the 2012 assessment of the subject property was not appropriate at \$4,195,000.

[16] The four sales comparables presented by the Complainant exhibited a broad range of site coverage and time-adjusted sales prices per square foot. By themselves, these sales would not have prompted the Board to alter the assessment. However, the equity comparables prompted a second look: two of the Complainant's comparables were situated on 118 Avenue, like the subject, and showed assessments of \$95.07 and \$94.36 per square foot. One of these was duplicated in the Respondent's list of equity comparables, and the Board found a third reasonably similar property in that list, a 43,599 square foot building on a major road (170 Street) with similar building size. This property also carried a similar valuation of \$95.90 per square foot. With three similar comparables converging at the \$95 level, the Board determined the subject's assessment should be reduced in the interest of equity.

[17] The Board applied a revised unit value of \$95.00 to the subject building area of 40,499 square feet to arrive at a revised 2012 assessment of \$3,847,500.

[18] The Board finds that the revised 2012 assessment of the subject property at \$3,847,500 is equitable.

Heard July 16, 2012.

Dated this 3rd day of August, 2012, at the City of Edmonton, Alberta.

Pam Gill, Board Member

Appearances:

Walid Melhem, Altus Group
for the Complainant

Suzanne Magdiak, City of Edmonton
for the Respondent