

NOTICE OF DECISION NO. 0098 126/12

Altus Group
780-10180 101 ST 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 5, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1075597	9390 48 Street NW	Plan: 7820294 Block: 4 Lot: 16	\$3,842,500	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: DAAM GALVANIZING CO LTD

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2012 ECARB 887

Assessment Roll Number: 1075597

Municipal Address: 9390 48 Street 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
Dale Doan, Board Member
Petra Hagemann, Board Member

Background

[1] The subject property is an industrial warehouse built in 1980 located at 9390 49 Street in the Eastgate Business Park subdivision in the City of Edmonton. The 20,908 square foot (sq. ft.) building including 18,208 sq. ft. of main floor office space is located on a 203,014 sq. ft. lot which results in a site coverage of 9%. The 2012 assessment was prepared by the direct sales comparison approach utilizing sales occurring from January 2008 through June 2011.

Issue(s)

[2] Is the assessment of the subject property fair in view of comparable sales, which indicate a market value of \$3,031,500?

Legislation

[3] 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

[4] The Complainant submitted a brief to the Board challenging the correctness of the subject's assessment.

[5] Five comparable sales were presented to support a reduction in the 2012 assessment. They had the following ranges:

	Subject	Comparable Range
Lot size sq. ft.	203,014	97,318 – 281,692
Site coverage %	9	6 - 12
Leasable Area	20,908	12,827 – 34,733
Time adjusted sales price per sq. ft.	\$183.78 (assessment)	\$141.08 - \$166.02

[6] Based on the market evidence provided, the Complainant argues that the subject should be assessed at \$140/sq. ft. for a total value of \$3,031,500.

[7] The Complainant argued that the Respondent's sales comparables are inferior to the subject in that sale #1,3 and 4 are smaller than the subject, #1 and 4 are newer properties, #3 and 5 are in superior locations being on major roadways and that #4 and 6 are located in a different market area than the subject.

[8] The Complainant requests the Board to reduce the 2012 assessment from \$3,842,500 to \$3,031,500.

Position Of The Respondent

[9] The Respondent submitted a brief to the Board defending the assessment of the subject property. Six comparable sales were presented with the following ranges supporting the assessment of the subject:

	Subject	Comparable Range
Lot size sq. ft.	203,014	Not listed in table
Site coverage %	9	5 - 16
Total Building Area	20,908	7,196 – 17,879
Sale price per sq. ft.	\$183.78 (assessment)	\$197.41 – \$391.60

[10] Although not an issue put forth by the Complainant, the Respondent further presented six equity comparables to indicate that the assessment of the subject is equitable.

[11] The Respondent took issue with two of the sales presented by the Complainant: the first sales comparable included an extra piece of land, which would distort the value of this sale. It was also noted that the total leasable space is 11,564 sq. ft. (not 12,827) which would change the time adjusted sales price to \$164.30/sq. ft. The Respondent further drew the Board's attention to the Complainant's sale #5 showing an income shortfall, which would imply a greater sales price under typical conditions.

Decision

[12] The Board confirms the 2012 assessment at \$3,840,000.

Reasons For The Decision

[13] The Board examined the sales comparables provided by both parties making corrections to the gross building area of the Complainant's comparable # 1 and # 5 as well as the change in square footage to the upper office area of comparable # 5. These changes resulted in new time adjusted sales prices per for comparable # 1 and # 5 in the amount of \$164.30 and 152.08/sq. ft. respectively.

[14] Eleven sales comparables were provided by both parties. By omitting the highest and lowest values as possible outliers, the Board found the remaining nine sales to be sufficiently similar to the subject. The average time adjusted sales price of these at \$186.10/sq. ft. supports the current assessment of \$183.78.

Heard July 5, 2012.

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

Petra Hagemann, Board Member

Appearances:

Altus Group
for the Complainant

Will Osborne
for the Respondent