



## ASSESSMENT REVIEW BOARD

Churchill Building  
10019 103 Avenue  
Edmonton AB T5J 0G9  
Phone: (780) 496-5026

### NOTICE OF DECISION NO. 0098 188/11

649981 Alberta Ltd.  
15011 - 131 Avenue NW  
Edmonton, AB T5V 1S8

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 September 8, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10007045	15011 131 Avenue NW	Plan: 0322760 Block: 101 Lot: 7	\$3,880,500	Annual New	2011

#### **Before:**

Lynn Patrick, Presiding Officer  
Brian Frost, Board Member  
Jack Jones, Board Member

**Board Officer:** Segun Kaffo

#### **Persons Appearing on behalf of Complainant:**

Graeme Parkes

#### **Persons Appearing on behalf of Respondent:**

Suzanne Magdiak, Assessor

### **PROCEDURAL MATTERS**

Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board.

## **PRELIMINARY MATTERS**

There were no preliminary matters raised by the parties or the Board.

## **BACKGROUND**

The property consists of two metal clad buildings located on a 69,229 square foot site in north west Edmonton at 15011 131 Ave. The original building built in 2003 contains 13,287 square feet of main floor area and 336 square feet of mezzanine area. The second building was built in 2010 and contains 7,800 square feet on the main floor area. Part of the older building contains the office. The buildings are described as standard 20 foot high industrial warehouses. Site coverage is 30% and the property is assessed on the direct sales comparison approach.

## **ISSUE**

Is the assessment too high?

## **LEGISLATION**

### ***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.*

### ***Matters Relating to Assessment and Taxation Regulation AR 220/2004***

s. 2 *An assessment of property based on market value*

- (a) must be prepared using mass appraisal,*
- (b) must be an estimate of the value of the fee simple estate in the property, and*
- (c) must reflect typical market conditions for properties similar to that property.*

s. 6(1) *When an assessor is preparing an assessment for a parcel of land and the improvements to it, the valuation standard for the land and improvements is market value unless subsection (2) or (3) applies.*

## **POSITION OF THE COMPLAINANT**

The Complainant provided a submission (C-1) in support of a request to reduce the assessment from \$3,880,500 to \$2,980,000 (\$182 per square foot to \$140 per square foot) on the basis that the assessment is unfair and inequitable. The submissions by the Complainant did not include

any market valuation evidence in support of any of the recognized valuation approaches of cost, income or direct sales comparables. The Complainant's brief contained 5 equity comparables which indicated a range of assessments from \$136 per square foot to \$213 per square foot with an average of \$180 per square foot. The Complainant then adjusted these values based on size, site coverage and office buildout. The adjustments were explained under the headings of Paired Sale Adjustment (C-1, page 14), although they were not sales and the adjustment percentages were not supported by any market evidence. The Complainant also submitted that the increase in assessment from the 2010 taxation year to the 2011 taxation year was excessive when compared to the equity comparables.

## **POSITION OF THE RESPONDENT**

The Respondent provided the Board with an Assessment Brief (R-1) and submitted that the Brief contained both direct sales comparables (4) and equity comparables (9) which supported the assessment. Although the sales comparables did not include any from the subject subdivision because of the lack of sales, it did contain at least one from a similar subdivision a distance from the subject, but relatively comparable in structure and condition, built in 2007, sold in February of 2009 and was time adjusted to \$178 per square foot. The equity assessment comparables did not contain any of the subject subdivision comparables but were all smaller in size and older properties.

## **DECISION**

The assessment is confirmed at \$3,880,500

## **REASONS FOR THE DECISION**

The Complainant did not submit any evidence of market value. The Board notes that the assessment of property is based on market value as set out in *Matters Relating to Assessment and Taxation Regulation* (MRAT). There are three acceptable approaches to deriving market value being either by the cost approach, the income approach or the direct sales approach. The application of Paired Sales Adjustments to assessment comparables is not methodology that satisfies any of the three acceptable market valuation approaches, and no sufficient evidence was presented that would justify adopting such methodology as was presented by the Complainant.

The comparables provided by the Respondent contained at least one sale comparable that provided some limited support for the assessment and though limited, it was the only evidence based on the direct sales approach before the Board, upon which the Board could place any weight. The equity comparables of the Respondent did not include comparables from the subject subdivision although the Complainant's evidence did so. Those unadjusted comparables did indicate some support for the assessment.

The Complainant's reliance on equitable comparables fails to provide market evidence necessary to bring the assessment into question and thus the Board is unable to alter the assessment.

## **DISSENTING OPINION AND REASONS**

There were no dissenting opinions.

Dated this 23<sup>rd</sup> day of September, 2011, at the City of Edmonton, in the Province of Alberta.

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Lynn Patrick, Presiding Officer

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*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.*

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cc: Graeme Parkes, Independent Appraisals Ltd.