



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 199/11

CVG
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 a hearing held on September 6, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
2194504	14520 118 Avenue NW	Plan: 5951KS Block: 2 Lot: 21	\$1,331,500	Annual New	2011

Before:

John Noonan, Presiding Officer
Judy Shewchuk, Board Member
Ron Funnell, Board Member

Board Officer: Jason Morris

Persons Appearing on behalf of Complainant:

Peter Smith, CVG

Persons Appearing on behalf of Respondent:

Suzanne Magdiak, Assessor, City of Edmonton

BACKGROUND

The subject property is a 12,749 sq.ft. multi-tenant office/warehouse with 8,350 sq.ft. of warehouse, 3,800 sq.ft. of main floor office and 600 sq.ft. of mezzanine office area. The lot size is 28,417 sq.ft. or .66 acre; site coverage is 43%. The improvement was constructed in 1965 and is described as being in fair condition. The assessment equates to \$104.44 per sq.ft. and was prepared by the direct sales comparison approach.

ISSUE(S)

The complaint form identified a number of issues: that the assessment was greater than the July 1, 2010 market value and inequitable in relation to assessments of similar properties; the capitalized value of the actual net operating income is less than the assessment; the property details and description do not correctly reflect actual physical characteristics; an analysis of ASRs (assessment to sales ratios) of similar properties supported a lower assessment value.

At the hearing, evidence and argument from the Complainant addressed a single issue:

1. Do the Complainant's sales comparables justify a lower assessment?

In addition to market sales evidence, the Respondent also addressed assessment equity.

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.

POSITION OF THE COMPLAINANT

The Complainant requested the assessment be reduced to \$1,084,000. The request was based on an analysis and comparison of 9 sales that concluded an appropriate per sq.ft. value for the subject of \$85 as opposed to the assessed value of \$104.44.

The 9 sales occurred between February 2008 and December 2010, were time-adjusted by the same factors employed by the Respondent, and showed per sq. ft. values ranging from \$70.08 to \$95.39 with 5 below \$80, and another 2 slightly above the requested \$85. Six of the sales were highlighted, but 3 in particular were identified as the best comparables in establishing the subject's value.

1. 16707 113 Avenue – a 12,997 sq.ft. building built in 1976 that sold in August 2008 for a time-adjusted price of \$87.45 per sq.ft.

2. 14215 120 Avenue – an October 2008 sale of a 15,482 sq.ft. building built in 1980 sold for \$70.08 per sq.ft.
3. 14705 116 Avenue – a 15,837 sq.ft. building built in 1970 sold for \$78.36 in January 2010.

POSITION OF THE RESPONDENT

In defense of the assessment, five west end sales comparables in fair to average condition and of similar age were presented. Building areas ranged from 11,172 sq.ft. to 39,645 sq.ft.; lot sizes from 27,557 sq.ft. to 114,962 sq.ft.; and site coverages from 34-56%. Time-adjusted sales prices ranged from \$98-\$137 per sq.ft.

Eleven equity comparables drawn from the west end with high site coverage and of similar age showed per sq.ft. assessments ranging from \$101 to \$111.

DECISION

The CARB reduces the assessment to \$1,084,000.

REASONS FOR THE DECISION

The subject was built in 1965 and is described as being in fair condition. The CARB found that the 3 sales most noted by the Complainant, as well as the corrected information on one of the Respondent's sales, gave a value range from \$70.08 to \$88.22 per sq.ft. All these properties but one were of 1963 – 1976 vintage, were of similar size, and were located on lots less than 1 acre. The Complainant's requested assessment of \$85 per sq.ft. is well supported by the market evidence and accordingly the CARB reduces the assessment to \$1,084,000.

Dated this 26th day of September, 2011, at the City of Edmonton, in the Province of Alberta.

John Noonan, Presiding Officer

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: RIVER BEND HOLDINGS LTD