



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 202/11

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 8, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
2209906	14849 - 124 AVENUE NW	Plan: 7069KS Block: 5 Lot: 14 / Plan: 7069KS Block: 5 Lot: 15/ Plan: 7069KS Block: 5 Lot: 16	\$4,497,000	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 46,884 sq.ft. industrial building on a 3.35 acre lot in the Dominion Industrial neighbourhood. It was built in 1967 and shows an effective year built of 1972. Site coverage is 32%. There is a smaller 952 sq.ft. building on site which was built in 1979 and was given a \$1,000 nominal value. Included in the main building is office space of 6,413 sq.ft. and a mezzanine of 969 sq.ft. The 2011 assessment of the property was \$4,497,000, 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 \$3,827,000. The request was based on an analysis and comparison of 6 sales that concluded an appropriate per sq.ft. value for the subject of \$80 as opposed to the assessed value of \$95.92 (or \$94.01 including the small building).

The 6 sales occurred between January 2009 and October 2010, were time-adjusted by the same factors employed by the Respondent, and showed per sq.ft. values ranging from \$48.86 to \$77.33.

Attention was drawn to 3 sales in particular:

1. 11771 167 Street - June 2009 sale at \$77.33 per sq.ft. including installation of a sprinkler system. Building area of 70,567 sq.ft. on 3.83 acres or 42% site coverage.
2. 11603 165 Street – May 2010 sale at \$59.67 per sq.ft. Building area 54,555 sq.ft. on 2.99 acres or 42% site coverage.
3. 14635 121A Avenue – October 2010 sale at \$61.67 per sq.ft. Building area 41,349 sq.ft. on 2.87 acres or 33% site coverage.

The Complainant stressed that his comparables were more recent sales than those presented by the Respondent and should therefore be considered more relevant.

The Complainant advised that the average of these 3 sales produced a value per sq.ft. of \$66.23 and if one then added a premium of 18% to account for the subject's major road location the resulting value would be \$78.14 per sq.ft. supportive of the \$80 requested value.

### **POSITION OF THE RESPONDENT**

The Respondent spoke to the mass appraisal process where factors found to affect value in warehouse inventory were location, size of lot, age and condition of buildings.

The Respondent presented 7 sales comparables in West Edmonton similar in age, condition, size, and site coverage. Two of the comparables were in fair condition while the remaining five were in average condition. The comparables were on major roadways. The time adjusted sale prices per sq.ft. ranged from \$88.20 to \$157.98 with an average of \$111.19 compared to the subject's 2011 assessment of \$94.01 (or 95.92 excluding the small building).

The Respondent provided seven equity comparables which supported the assessment of the subject.

The Respondent requested the CARB confirm the 2011 assessment of \$4,497,000.

### **DECISION**

The CARB confirms the 2011 assessment at \$4,497,000.

### **REASONS FOR THE DECISION**

The subject covers 32% of a 3.35 acre lot alongside busy 149 Street. The CARB preferred the Respondent's sales comparables, all located on major roads, to those advanced by the Complainant, predominantly in inferior locations. The CARB particularly noted the sale at 12250 – 142 Street of a 41,701 sq.ft. building on a 2.64 acre lot. Although this sale was 3 years before valuation date, this fair condition property sold at a time adjusted price of \$4.14 million, for which amount the purchaser acquired 6,000 sq.ft. less of main floor area and .7 acre less land than the subject.

Very similar in size to the 142 Street sale was an October 2010 sale advanced by the Complainant located on 121A Avenue. This property has a 41,349 sq.ft. building on a 2.87 acre lot. While the property is described as being in average condition, it is very similar to the above noted 142 Street property in age, lot size, and building size. The significant differences are price and location. The 121A Avenue property sold for \$2.55 million, some \$1.6 million less than the highly similar 142 Street property, showing the Board that location can play a significant role in valuation.

The Board is satisfied that the assessment of the subject is fair and equitable.

Dated this 27<sup>th</sup> day of September, 2011, at the City of Edmonton, in the Province of Alberta.

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John Noonan, 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: 149 STREET BUILDING INC