



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 209/11

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 7, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1037928	9651 - 25 Avenue NW	Plan: 8120859 Block: 14 Lot: 4	\$3,400,500	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:

Tom Janzen, CVG

#### Persons Appearing on behalf of Respondent:

Susen Douglass, Assessor, City of Edmonton

## **BACKGROUND**

The Board notes that while the legal description of this property includes both lots 3 and 4, this tax roll number applies only to the assessment of the property on lot 4.

The subject is a single-tenant 21,552 sq.ft. industrial building containing 14,312 sq.ft. of office space, built in 1997 on a 1.92 acre lot in the Parsons Industrial neighbourhood. The 2011 assessment was prepared by the direct sales comparison method and equates to \$157.78 per sq.ft. of improvement.

## **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 \$2,801,500. The request was based on an analysis and comparison of 6 sales that concluded an appropriate per sq.ft. value for the subject of \$130 as opposed to the assessed value of \$157.78.

The 6 sales occurred between April 2009 and September 2010, were time-adjusted by the same factors employed by the Respondent, and showed per sq.ft. values ranging from \$95.95 to \$149.36.

Attention was drawn to 2 sales in particular:

1. 9111 - 41 Avenue – a March 2010 sale of a 28,686 sq.ft. building with 5,036 sq.ft. each of office and mezzanine office, built in 1992 on a 2.06 acre lot for a site coverage of 26%, sold for \$124.01 per sq.ft. and assessed at \$126.68.
2. 4611 Morris Road – an April 2010 sale of an 11,987 sq.ft. building on a .97 acre lot for a site coverage of 28%, built in 1991, sold for \$125.88 per sq.ft. and assessed at \$149.36.

### **POSITION OF THE RESPONDENT**

The Respondent presented 6 sales comparables dating from July 2008 to May 2010. A flip transaction within weeks accounted for two of the sales in July, 2008, and two of the sales were west end properties. The 6 showed an average adjusted sale price per sq.ft. of \$177.95, compared to \$157.78 for the subject's assessment.

A list of 12 equity comparables including the subject, selected for similarity of age and site coverage, showed an average assessment for main floor area of \$226.14 per sq.ft. and a total area average assessment of \$212.73 per sq.ft. as compared to \$223.10 and \$157.78 for the subject.

### **DECISION**

The CARB reduces the 2011 assessment to \$3,146,500.

### **REASONS FOR THE DECISION**

The CARB selected 3 sales from the Complainant's presentation and 2 from the Respondent's in an effort to reconcile substantially different views of value advanced by the parties. In addition to the 2 Complainant sales cited, the Board also considered the Complainant's comparable 8803 58 Avenue which though older, had a 24,602 sq.ft. improvement on a 2.05 acre lot.

The Board used the Respondent's west end comparable property with 20% coverage of a 1.41 acre lot at 17633 114 Avenue and the Respondent's 1.44 acre lot at 1431 70 Avenue. The time adjusted sales prices of these five sales produced an average of \$146 per sq.ft. of improvement, which the CARB found to be a reasonable estimate of the subject's market value.

Dated this 5th day of October, 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: CU (6) GP INC