



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 211/11

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:
1037910	9651 - 25 Avenue NW	Plan: 8120859 Block: 14 Lot: 3	\$3,129,500	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 3.

The subject is an 18,875 sq.ft. single-tenanted industrial warehouse containing 10,047 sq.ft. of office space, built in 1998 on a lot of 88,051 sq.ft. (2 acres) in the Parsons Industrial neighbourhood. The 2011 assessment was prepared by the direct sales comparison approach and equates to \$165.80 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 \$2,453,500. 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 \$165.80.

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 3 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.
3. 9719 - 63 Avenue – a July 2010 sale of a 17,149 sq.ft. building on a .89 acre lot for a site coverage of 44%, effective year built 1988, sold for \$104.96 per sq.ft. and assessed at \$132.07 per sq.ft.

POSITION OF THE RESPONDENT

The Respondent presented 5 sales, time-adjusted from their sale dates of July 2007 through July 2008. These properties had an average age of 1998, the same as the subject, and had an average building area of 24,403 sq.ft. compared with the subject at 18,875. These comparables showed an average sales price of \$159.78 per sq.ft. of building area, or \$164.74 per main floor sq.ft., close to the subject's assessment of \$165.80.

A list of some 16 equity comparables plus the subject, all of similar age and with similar site coverages, showed an average main floor assessment of \$188.68 per sq.ft. and an average total area assessment of \$175.99.

DECISION

The CARB reduces the 2011 assessment to \$2,655,000.

REASONS FOR THE DECISION

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

The CARB also used the Respondent's 3 sales with lot sizes ranging from 1.62 – 2.32 acres at 4715 76 Avenue, 5880 56 Avenue and 6111 56 Avenue. The time adjusted sales price per sq.ft. of these 6 comparables produced an average of \$140.66. Applied to the subject's improvement area, the result is \$2,655,000 which the Board determined was a reasonable estimate of market value.

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