



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 236/11

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 21, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10093159	6703 - 68 Avenue NW	Plan: 0725745 Block: 1 Lot: 1	\$51,707,000	Annual New	2011

Before:

Hatem Naboulsi, Presiding Officer
Judy Shewchuk, Board Member
Ron Funnell, Board Member

Board Officer:

Annet Adetunji

Persons Appearing on behalf of Complainant:

Tom Janzen, Canadian Valuation Group

Persons Appearing on behalf of Respondent:

Will Osborne, Assessor, City of Edmonton
Steve Lutes, Barrister & Solicitor, City of Edmonton

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

BACKGROUND

The subject property is a three building office/warehouse complex located in the Davies Industrial neighborhood. The buildings were constructed in 2007 and contain a total of 562,620 square feet on a 35 acre lot for a site coverage of 36%. The 2011 assessment of the property is \$51,707,000 which equates to \$91.90 per square foot.

ISSUE

Is the 2011 assessment of the subject property at \$51,707,000 fair and equitable?

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 submitted four sales comparables ranging in time adjusted sale price from \$69.41 to \$84.58 per square foot. The range of building sizes was 168,520 to 399,767 square feet and the range of site coverages was 35% to 56%.

The Complainant also submitted rebuttal evidence which detailed the assessments of the Respondent's sales comparables. These ranged from \$83.89 to \$137.50 per square foot.

Of major concern to the Complainant was the fact that the 2011 assessment was 20.9% greater than the 2010 assessment, well in excess of typical assessment increases in this part of southeast Edmonton.

The Complainant asked that the Board reduce the 2011 assessment to \$75.00 per square foot for a total of \$42,196,500.

POSITION OF THE RESPONDENT

The Respondent presented seven sales comparables ranging in building size from 72,877 to 291,285 square feet and site coverage from 34% to 39%. The time adjusted sale prices ranged from \$84.55 to \$147.66 per square foot.

The Respondent also presented twenty-six equity comparables ranging in building size from 72,280 to 325,699 square feet and site coverage from 27% to 48%. The assessments ranged from \$83.52 to \$138.10 per square foot.

The Respondent submitted that each year's assessment is independent of the previous year's assessment and is based on the market value on the valuation date.

DECISION

The Board reduces the 2011 assessment of the subject from \$51,707,000 to \$47,159,000.

REASONS FOR THE DECISION

The Board finds that the majority of the comparables presented by both parties are significantly smaller than the subject and, therefore, difficult to compare to the subject.

The Board relied on two comparables that are closest to the subject in terms of size and site coverage: The Complainant's sales and equity comparable #4 located at 12810 – 170 Street with a building size of 399,767 square feet, site coverage of 39% and assessed at \$70.44 per square foot and the Respondent's equity comparable #26 located at 9704 – 12 Avenue with a building size of 325,699 square feet, site coverage of 39% and assessed at \$97.19 per square foot. The average assessment of these two properties is \$83.82 per square foot. Accordingly, the Board reduces the assessment of the subject to \$83.82 per square foot for a total value of \$47,159,000.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 17th day of October, 2011, at the City of Edmonton, in the Province of Alberta.

Hatem Naboulsi, 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: The Great-West Life Assurance Company
London Life Insurance Company