



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 252/11

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 20, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9974451	3404 - 78 Avenue NW	Plan: 9926188 Block: 29 Lot: 4	\$16,620,000	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 five building office/warehouse complex located in the Weir Industrial neighborhood. The property was built in 1982 with an effective year built of 1999 and contains a total of 143,975 square feet on a 405,668 square foot (9.3 acre) lot for a site coverage of 35%. The 2011 assessment of the property is \$16,620,000 which equates to \$115.44 per square foot.

ISSUE

Is the 2011 assessment of the subject property at \$16,620,000 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 presented six sales and assessment comparables ranging in time adjusted sale price from \$68.16 to \$84.58 per square foot. The assessments of these comparables ranged from \$67.29 to \$100.53 per square foot. The range of building sizes was 115,318 to 399,767 square feet and the range of site coverages was 35% to 56%. The Complainant asked that the assessment of the subject be reduced to \$80.00 per square foot for a total of \$11,518,000.

The Complainant also presented rebuttal evidence which listed the assessments of the Respondent's eighteen sales comparables ranging from \$84.31 to \$162.80 per square foot. As the assessments were consistently lower than the adjusted sale prices, the Complainant argued that this supports a reduction in the assessment of the subject.

Of major concern to the Complainant was the fact that the 2011 assessment increase was 40.5% greater than the prior year, well in excess of typical assessment increases in southeast Edmonton.

POSITION OF THE RESPONDENT

The Respondent presented eighteen sales comparables, all but one located in the southeast quadrant as is the subject. Sales comparables #1 - #10 were presented to support the value of the smaller buildings; sales comparables #11 - #16 supported the larger buildings; and sales comparables #17 and #18 dealt with the total size of the five buildings.

The comparables ranged in building size from 11,250 to 289,464 square feet and site coverage from 27% to 42%. The time adjusted sale prices ranged from \$124.68 to \$178.53 per square foot.

In support of the assessment, the Respondent also presented fifteen equity comparables with assessments ranging from \$114.36 to \$183.62 per square foot.

In response to the Complainant's issue regarding the 40.5% increase in the assessment, the Respondent explained that this was due to the model recognition of five buildings on the site.

The Respondent recommended a reduction in the assessment of the subject property to \$15,872,000, adjusting for the rear configuration of two of the five buildings.

DECISION

The Board reduces the 2011 assessment of the subject property from \$16,620,000 to \$13,912,000.

REASONS FOR THE DECISION

The Board reviewed the evidence presented by both parties: the sales and assessment comparables from the Complainant (exhibit C-1, p.1); eighteen sales comparables from the Respondent (exhibit R-1, p.17); and the assessments of the Respondent's eighteen sales comparables presented by the Complainant (exhibit C-2, p.1).

The Board relied on the following comparables due to their effective age, size and site coverage;

- Complainant's comparable #2 at \$100.53 per square foot (C-1, p.1);
- Complainant's comparable #6 at \$94.48 per square foot (C1, p.1); and
- Complainant's comparable #17 at \$94.87 per square foot (C2, p.1).

The assessments of these comparables averaged \$96.63 per square foot. In the interest of fairness and equity, the Board reduces the 2011 assessment of the subject to \$96.63 per square foot for a total value of \$13,912,000.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 20th 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: London Life Insurance Company