



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 326/11

ALTUS GROUP
17327 106A Avenue
EDMONTON, AB T5S 1M7

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 November 9, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1008317	10235 180 STREET NW	Plan: 4999KS Block: W Lot: 1	\$3,699,500	Annual New	2011

Before:

Don Marchand, Presiding Officer
James Wall, Board Member
Tom Eapen, Board Member

Board Officer: Karin Lauderdale

Persons Appearing on behalf of Complainant:

Chris Buchanan, Agent: ALTUS Group

Persons Appearing on behalf of Respondent:

Stephen Leroux, Assessor: Assessment Branch, City of Edmonton
Will Osborne, Assessment Branch, City of Edmonton (Observing)

PRELIMINARY MATTERS

No preliminary matters were raised by the Parties. Both Parties made an affirmation to tell the truth. No objection was raised as to the composition of the CARB panel. In addition, the Board members indicated no bias with respect to this file.

At the outset of the hearing the CARB was advised that the only common issue that applies to the subject complaint is the one itemized as: 4. *the assessment of the subject property is in excess of its market value for assessment purposes* and that the remaining common issues itemized as numbers 1-3 and 5- 8 shown on the SCHEDULE OF ISSUES page will not be argued.

BACKGROUND and PROPERTY DESCRIPTION

- The subject property is located in the Morin Industrial subdivision of the City of Edmonton; two blocks north of Stony Plain Road and two blocks west of 178th Street.
- The site contains 133,262 square feet or 3.06 acres with an IM industrial zoning.
- There are two buildings on site; a warehouse/office with a footprint of 32,808 sq. ft. (effective age of 1988) and a separate storage building of 2,400 sq. ft.
- The gross area of the two buildings is 35,208 square feet and the site coverage is 26%.
- The Parties provided sales data within the period of January, 2007 to July, 2010 that were time adjusted as per a table provided to the CARB (exhibit C-1, page 12).
- The Direct Sales Comparison Approach is the valuation approach used by the parties to argue against and support of the assessment.

The above background and property description facts were all agreed to by the parties.

ISSUE(S)

Is the 2011 assessment of the subject property at \$3,699,500 correct?

LEGISLATION

The CARB in its deliberations gave consideration to:

Municipal Government Act, RSA 2000, c M-26

1(1) *In this Act,*

- (n) *“market value” means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;*

289(2) *Each assessment must reflect*

- (a) *the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and*
(b) *the valuation and other standards set out in the regulations for that property.*

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.*

- (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.*

Matters Relating to Assessment and Taxation Regulation (AR 220/2004)

2. *An assessment of property based on market value*
- (a) *must be prepared using mass appraisal,*
 - (b) *must be an estimate of the value of the fee simple estate in the property, and*
 - (c) *must reflect typical market conditions for properties similar to that property*

POSITION OF THE COMPLAINANT

The Complainant provided the CARB with the following market transactions:

Comp	Address	Sale Date	TASP	YOC	Site Coverage	LBA	TASP per SF of LBA
1	10439 176 St.	Nov 2009	\$3,788,044	1992	24%	32,356	\$117.07
2	11610 178 St.	Jun. 2009	\$2,284,038	1997	26%	26,045	\$87.70
3*	5104 129 ave	Jul 2007	\$1,980,098	1989	28%	24,000	\$82.50
4*	10685 176 St.	Apr 2007	\$1,605,100	1978	27%	15,499	\$103.56
					Requested Rate		\$85.00
Subj.	10235 180 St.			1987	26%	35,207	\$105.08

**the supporting data for these comparables was removed at the hearing.*

The Complainant's requested a unit of comparison rate of \$85.00 per square foot and an assessment of **\$2,992,500** as the market indicated valuation rate for the subject. This gives consideration to the subject's age, size, location and site coverage.

POSITION OF THE RESPONDENT

The Respondent provided the CARB with the following sales comparables

Comp	Address	Sale Date	TASP	YOC	Site Coverage	LBA	TASP per SF of LBA
1	16515 116 ave	Feb 2007	\$4,578,990	1980	20%	34,650	\$132.15
2	10833 178 St	Apr 2007	\$2,482,173	1979	23%	18,967	\$130.87
3	12150 154 St	Jun 2007	\$3,358,200	1981	19%	18,138	\$185.15
4	14545 128 ave	Jul 2007	\$2,765,500	1974	18%	24,746	\$111.76
5	11670 170 St	Jul 2009	\$4,745,700	1979	45%	46,685	\$101.65
6	10833 178 St	Dec 2007	\$2,891,828	1979	23%	18,973	\$152.42
7	12150 154 St	Mar 2009	\$2,668,680	1981	19%	18,137	\$147.14
8	16821 107 ave	Jan 2010	\$3,142,720	1987	39%	19,893	\$157.98
Subj.	10235 180 St.			1988	25%	32,808	
					Assessment rate		\$112.39

The Respondent advised the CARB that the rate of \$112.39 is only for the main building and that the 2,400 square foot storage building has been assessed at a flat rate of \$12,198. The CARB was asked to confirm the assessment.

DECISION

The assessment is confirmed at \$3,699,500.

REASONS FOR THE DECISION

The CARB finds the best comparable to the subject is comparable #1 cited by the Complainant with a unit of comparison rate of \$117.07/sf. This comparable is supported by the Respondent's comparables identified as #1, #2, and # 6 as the site coverage of these comparable is most similar to the subject.

The CARB gave little weight to the Complainant's comparable sales submitted with unsporting data.

The CARB note the Complainant made no adjustment to reflect difference in location, parcel size, and percentage of office area between the sales comparables and the subject property. If these adjustments had been given consideration, the CARB found that these sales would have supported the assessment.

Equity comparables were provided by the Respondent only and support an equitable assessment conclusion as well.

The Complainant failed to provide sufficient and compelling evidence to convince the CARB that the assessment is incorrect.

Dated this 24th day of November, 2011, at the City of Edmonton, in the Province of Alberta.

Don Marchand, 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: FINNING INTERNATIONAL INC.

For MGB Administrative Use Only

<i>Decision No.</i>		<i>Roll No. 1008317 (Edmonton)</i>		
<u><i>Appeal Type</i></u>	<u><i>Property Type</i></u>	<u><i>Sub Property Type</i></u>	<u><i>Issue</i></u>	<u><i>Sub - Issue</i></u>
CARB	Warehouse	Warehouse Single Tenant	Sales comparison approach	Land & improvement Comparables