

NOTICE OF DECISION NO. 0098 33/12

Altus Group
780-10180 101 ST NW
Edmonton, AB T5J 3S4

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 June 11, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9977582	17703 114 AVENUE NW	Plan: 0020203 Block: 8 Lot: 1 / Plan: 0020203 Block: 8 Lot: 2	\$1,899,000	Annual New	2012

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: CLASSIC TOPS SOLID SURFACE MANUFACTURING LTD

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2012 ECARB 1098

Assessment Roll Number: 9977582

Municipal Address: 17703 114 AVENUE NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Steven Kashuba, Presiding Officer

Lillian Lundgren, Board Member

Ron Funnell, Board Member

Background

[1] The subject property is a 9975 square foot warehouse located at 17703 114 Avenue NW in the Armstrong Industrial neighborhood. The 9,975 square foot warehouse has an effective year built of 2002. The lot size is 52,053 square feet and the site coverage is 19%.

Issue

1. Is the assessment of the subject property correct?

Legislation

[2] The *Municipal Government Act* reads:

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

[3] The Complainant filed this complaint on the basis that the subject property is assessed in excess of its market value. The Complainant argued that the best indication of market value is the sale of the subject property. The subject property sold on August 17, 2009 along with the neighboring vacant lot for \$1,970,000. The Complainant time adjusted the sale and removed the value of the vacant lot which produced a residual value of \$1,234,500 for the subject property. Based on this calculation, the Complainant requested the Board to reduce the assessment to \$1,234,500.

[4] The Complainant also argued that a review of recent market transactions indicates that the value of the subject property is \$1,554,000. In support of this position, the Complainant presented five sales comparables located in the northwest quadrant of the city. The sales comparables have an average time adjusted sale price of \$148 per square foot and a median time-adjusted sales price of \$148 per square foot. The Complainant concluded that the direct sales approach indicates the property value should be \$1,554,000 based on \$148 per square foot.

[5] In rebuttal to the Respondent's evidence, the Complainant stated that some of the Respondent's sales comparables are not similar. The two comparables located at 17816 118 Avenue NW and 17904 118 Avenue NW are halves of a duplex. The comparable at 17515 106A Avenue NW is a multi-lot sale. The Complainant noted that both parties used the sales comparables located at 17633 114 Avenue NW and 11116 156 Street NW.

[6] In summary, the Complainant requested the Board to reduce the assessment to \$1,234,500 based on the adjusted sale price of the subject property.

Position Of The Respondent

[7] The Respondent submitted that the subject property assessment of \$1,899,000 is correct. In support of this position, the Respondent presented seven sales comparables located in the northwest quadrant of the city. The sales comparables range in value from \$194 per square foot to \$240 per square foot compared with the subject assessment of \$190 per square foot. The Respondent considered the two sales used by both parties to be good comparables because they are similar to the subject in location, age and site coverage. The average sale price of these two comparables is \$205 per square foot.

[8] Although equity is not an issue, the Respondent presented six equity comparables that range in assessment from \$187 per square foot to \$216 per square foot. The Respondent asserted that the subject property is assessed equitably with similar properties.

[9] In rebuttal, the Respondent stated that the sale of the subject property was part of a multi-parcel sale and not necessarily a good indicator of value.

[10] In summary, the Respondent requested the Board to confirm the assessment at \$1,899,000.

Decision

[11] The subject property assessment is confirmed at \$1,899,000.

Reasons For The Decision

[12] With respect to the issue of correctness, the Board finds that the best indicators of market value for the subject property are the two sales comparables located at 17633 114 Avenue NW and 11116 156 Street NW that sold for \$199 per square foot and \$211 per square foot respectively. The properties are similar to the subject property in location, lot size, age, site coverage and building size. The comparable located at 17633 114 Avenue NW is within one block of the subject. This market evidence supports the subject assessment of \$190 per square foot.

[13] Respecting the sale of the subject property, the Board placed little weight on this evidence because the subject lot sold together with an adjacent vacant lot. The residual value of the subject lot calculated by the Complainant is only \$124 per square foot which falls well below the median sale prices presented by the parties. As such, the Board is not convinced that the residual value of \$1,234,500 requested by the Complainant represents the market value of the subject property.

[14] Accordingly, the Board confirms the assessment at \$1,899,000.

Heard commencing June 11, 2012.

Dated this 3rd day of July, 2012, at the City of Edmonton, Alberta.

Steve Kashuba, Presiding Officer

Appearances:

Walid Melhem, Altus Group
for the Complainant

Marty Carpentier, City of Edmonton
for the Respondent