

NOTICE OF DECISION NO. 0098 36/12

Altus Group Limited
780, 10180 - 101 Street 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: |
|--------------------|--------------------------|-----------------------------------|-----------------------|------------------------|-------------------------------|
| 9977025 | 11505 - 105 AVENUE NW | Plan: 0020052 Block: 14 Lot: 148A | \$1,118,500 | 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: 876680 ALBERTA LTD

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2012 ECARB 686

Assessment Roll Number: 9977025

Municipal Address: 11505 105 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

Preliminary Matters

[1] When asked by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board members indicated they had no bias in the matter before them.

Background

[2] The subject property is a small warehouse located in the Queen Mary Park Subdivision at 11505 – 105 Avenue NW on a lot size of 19,339 square feet. With an effective year built of 1960, the development consists of two buildings, the first building has an area of 8,298 square feet while the second building has an area of 450 square feet. The effective zoning is IB and the assessment is \$1,118,500.

Issues

[3] Although the Complainant listed fifteen issues in their Complaint Form, only three are at issue in this hearing:

- 3.1 Should the subject property be assessed as having land value only?
- 3.2 Do sales comparables support the assessment?
- 3.3 Do assessments of similar properties support the assessment?

Legislation

[4] 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

[5] It is the submission of the Complainant that the subject property should be assessed as having land value only and compared to market values of properties which exhibit similar characteristics. This request is based upon the opinion that whoever would purchase the property would do so with the intent of razing the current old warehouse and replacing it with a more modern building.

[6] As a result of the foregoing opinion, four sales comparables are presented from the same area of the City (Exhibit C-1, page 8) and which have sold recently. These sales comparables are selected for their land value only and range in time-adjusted sales values per square foot from \$23.84 to \$60.00. By applying \$50.00 per square feet to the area of the subject lot size of 19,338 square feet, the Complainant arrives at a requested assessment value of \$966,500 (Exhibit C-1, page 10).

[7] To further support a request for a reduction in the assessment amount, the Complainant submitted four equity comparables from the same area of the City. These comparables exhibit characteristics similar to the subject property in terms of age, site area, site coverage, gross building area, leasable building area, and main floor area. By applying a rate of \$145.00 per square foot for the main floor area of 6,798 square feet to the main building area, an assessment of \$985,500 is derived (Exhibit C-1, page 9).

Position Of The Respondent

[8] In support of the current assessment, the Respondent submitted five sales comparables in the same quadrant of the City. These are similar in age, condition, site coverage, main floor area, and total building area. The time-adjusted sales values for these sales comparables range from \$129.78 to \$159.12 per square foot with an average of \$134.79 while the subject warehouse, having a total building area of 8,740 square feet, is assessed at \$134.79 for the total area. The second building on the property of 500 square feet has minimal value (Exhibit R-1, page 20).

[9] In further support of the assessment, the Respondent presented six equity comparables taken from the same area of the City. These comparables are similar to the subject property in

terms of condition, age, site coverage, lot size, main floor area, and total floor area. The assessments per square foot of these equity comparables range from \$133.55 to \$149.18 per square foot with an average assessment of \$139.99 per square foot while the subject is assessed at \$134.79 per square foot (Exhibit R-1, page 28).

[10] Equity comparables located at 10550 – 115 Street NW and 10583 – 115 Street NW are located within one block of the subject property; they are assessed at \$142.40 and \$141.98 per square foot respectively, and provide good equity comparables.

Decision

[11] It is the decision of the Board to confirm the assessment of the subject property for 2012 at \$1,118,500.

Reasons For The Decision

[12] The Board accepts the Respondent's submission that the subject property must be assessed as having a small warehouse in average condition, which does have market value and is currently operational.

[13] Since the Complainant did not present any sales comparables which have characteristics similar to a property as determined by the Board to have commercial market value, negates the value of considering sales comparables which are presented as having land value only. As a consequence, the Board places little weight upon the sales comparables presented by the Complainant as constituting land value only.

[14] In contrast, the Complainant did present four equity comparables which have improvements on them. However, these equity comparables, taken together with the equity comparables presented by the Respondent, do support the current assessment.

[15] In particular, the Board is persuaded by the five sales comparables presented by the Respondent. These sales comparables have characteristics similar to that of the subject property and fully support the assessment.

Heard commencing June 11, 2012.

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

Steven Kashuba, Presiding Officer

Appearances:

Walid Melhem, Altus Group
for the Complainant

Marty Carpentier, City of Edmonton
for the Respondent