



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 406/11

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 14, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9984538	11615 149 Street NW	Plan: 0022266 Block: 8 Lot: 13D	\$9,846,500	Annual New	2011

Before:

Robert Mowbrey, Presiding Officer
Dale Doan, Board Member
Lillian Lundgren, Board Member

Board Officer:

Annet Adetunji

Persons Appearing on behalf of Complainant:

Chris Buchanan, Altus Group Ltd

Persons Appearing on behalf of Respondent:

Stephen Leroux, Assessor, City of Edmonton
Suzanne Magdiak, Assessor, City of Edmonton

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board advised the parties that the Board had no bias on this file.

BACKGROUND

The subject property is located at 11615 149 Street NW in the Huff Bremner Estate Industrial neighborhood. The 272,176 square foot (sf) site is improved with two warehouse buildings. Building #1 has an effective year built of 1970 and has a total building area of 49,622sf. Building #2 has an effective year built of 1974 and has a total building area of 70,440sf. The site coverage is 44%.

ISSUE

Is the subject property assessment correct 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 filed this complaint on the basis that the subject property assessment is incorrect and inequitable. The Complainant argued that the direct sales approach indicates that the property value should be \$9,004,500.

The Complainant presented seven sales comparables that have been time adjusted using the City of Edmonton time adjustment factors. The sales have an average sale price of \$77.15psf and a median sale price of \$75.40psf. Comparables #3 and #7 were used by both parties. Comparable #3 is located at 15423 131 Avenue NW and sold for \$75.11psf. Comparable #7 is located at 11448 149 Street NW and sold for \$87.90psf. The Complainant stated that comparables #6 and #7 are the most similar to the subject and they sold for \$77.41psf and \$87.90psf respectively.

The Complainant explained that comparable #1 sold for \$31,536,250 which included 7.43 acres of excess land valued at \$425,000 per acre. This information was obtained from the sales data sheet prepared by the Network and disclosed in the Complainant's evidence. After adjusting the sale price for the excess land, the sale price is \$27,748,000. The parties disagree about whether or not there exists excess land.

The Complainant also argued that the assessments of similar competing properties indicate that an equitable value for the subject is \$7,443,500. In support of this position, the Complainant presented six equity comparables that have an average assessment of \$61.74psf and a median assessment of \$62.13psf.

In summary, the Complainant requested that the subject assessment be reduced to \$7,443,500.

POSITION OF THE RESPONDENT

The Respondent's position is that the subject assessment is both correct and equitable. The Respondent presented six sales comparables of industrial warehouses located in the NW quadrant of the city. The range of the six sales comparables is from \$77.41psf to \$147.66psf. This supports the subject assessment of \$82.01psf. As noted in the Complainant's position, both parties used the sales comparables located at 11448 149 Street NW and 15423 131 Avenue NW. The Respondent reasoned that that four of its comparables are inferior to the subject property because they are not located on major traffic routes similar to the subject.

The Respondent also presented nine equity comparables of warehouse properties that are similar in age, size and location. The comparables range from \$77.37psf to \$89.71psf.

Rebuttal

The Respondent commented on the Complainant's sales as follows. The Respondent disagrees with the Complainant on the sale price of the Complainant's sale #1. The city does not agree that there is excess land on this property. Therefore the sale price should be \$31,536,250 or \$78.89psf not the \$27,748,000 indicated by the Complainant. Furthermore the comparable is not similar in size. This comparable has a total building area of 399,987sf compared with the subject total building area of 120,062sf.

The Complainant's sales #2, #4 and #5 are inferior to the subject because they not located on major traffic routes.

Finally, the Complainant's sale #6 is a non arms length transaction and should not be used.

The Respondent requested the Board to confirm the subject assessment at \$9,846,500 based on the above.

DECISION

The property assessment is confirmed at \$9,846,500.

REASONS FOR THE DECISION

The Board reviewed the evidence and argument of the Complainant and Respondent. The Board accepts the two sales comparables used by both parties as indicators of value for the subject property. They sold for \$77.41psf and \$87.90psf compared with the subject assessment of \$82.01psf. However, the Board observes that the comparable sale at 15423 131 Avenue has an effective year built of 2005 which is considerably newer than the subject property which has an effective year built of 1974/1975. The Board agrees with the Respondent that the balance of the

Complainant's sales comparables are not similar, or in the case of the non arms length sale should not be used.

With respect to the issue of equity, the Board is not convinced that the equity comparables advanced by Complainant demonstrate that the subject property is inequitably assessed. Four of the equity comparables are not assessed with a major traffic influence factor. If each of these comparables were assessed a major traffic influence factor, the per square foot assessments would be much higher.

Based on the above findings, the Board confirms the assessment of the subject property.

Dated this 9th day of December, 2011, at the City of Edmonton, in the Province of Alberta.

Robert Mowbrey, 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: NO 352 Cathedral Ventures Ltd