



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 408/11

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:
2195105	12001 149 Street NW	Plan: 2298NY Block: 3 Lot: 6A	\$1,339,000	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 AND PRELIMINARY 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.

The Respondent advised the Board and the Complainant that the Respondent was recommending an adjustment to building two by 10% and thus the revised 2011 assessment would be \$1,277,000. The Complainant turned the Respondent's recommendation down and the hearing continued.

## **BACKGROUND**

The subject property is a two building medium warehouse located at 12001 149 Street NW. The building area is 8,970 square feet and was constructed in 1967. The site coverage is 39 % and the subject property is assessed at \$1,339,000.

## **ISSUE**

What is the market value of the subject property?

## **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 of \$1,339,000 is in excess of the market value. In support of this position, the Complainant presented five sales that have been time adjusted using the City of Edmonton's time adjustment schedule from the date of sale to the valuation date (July 1<sup>st</sup> 2010) (Exhibit C-1 page 8). The sales comparables ranged from a low of \$100.98 to \$152.64 time adjusted selling price per square foot for total building area. The Complainant stated that due to attributes such as age, size, site coverage and location, it has been determined that the indicated value for the subject property should be \$110.00 per square foot.

The Complainant presented five equity comparables to the Board detailing age, size, condition, effective year built, and site coverage (Exhibit C-1 page 9). The equity comparables ranged from \$104.11 to \$127.96 assessment per square foot of total building area. The Complainant advised the Board that based on the equity, that \$120.00 per square foot is fair and equitable.

Based on the direct sales approach and backed by equity comparables, the Complainant is requesting a 2011 value for the subject property of \$986,500.

### **POSITION OF THE RESPONDENT**

The Respondent advised the Board regarding the mass appraisal process that the City of Edmonton utilizes for their warehouse inventory. The Respondent utilizes the direct sales methodology and sales occurring from January 2007 through June 2010 were used in the model development and testing.

Sales were validated by conducting site inspections and interviews, and by reviewing title transfers, sales validation questionnaires, and four data collection sources.

Factors found to affect value in the warehouse inventory were: the location of the property, the size of the lot, the age and condition of the building, the total area of the main floor, developed second floor and mezzanine area.

The most common unit of comparison for industrial purposes is value per square foot of building area. When comparing properties on this basis, it is imperative that the site coverage be a key factor in the comparison.

The Respondent presented four sales comparables to the Board detailing comparables similar in terms of age, site coverage, condition and total building area (Exhibit R-1 page 20). The comparable sales ranged from a time adjusted selling price per total building square foot of \$129.80 to \$159.08 per square foot, which supports the assessment of \$142.36 per square foot of total area.

Factors found to affect value in the warehouse inventory were: the location of the property, the size of the lot, the age and condition of the building, the total area of the main floor, developed second floor and mezzanine area.

The Respondent presented five equity comparables similar to the subject property in terms of age, site coverage, condition and total building area (Exhibit R-1 page 25). The comparables ranged from an assessment per total building square foot of \$140.25 to \$154.01, which supports the assessment of \$142.36 per assessment per square foot.

### **DECISION**

The decision of the Board is to confirm the 2011 revised assessment of \$1,277,000 as being fair and equitable.

### **REASONS FOR THE DECISION**

The Board reviewed both the Complainant's and Respondent's equity comparables and determined the Respondent's equity comparables were more compelling than the Complainant's equity comparables. All of the Respondent's equity comparables were on major traffic routes whereas two of the Complainant's equity comparables were not on a major traffic route like the

subject property and would require an upward adjustment. (Exhibit C-1 page 9 #2-15340 114 Ave NW and #3-16645 111 Avenue).

In addition, the Complainant's equity comparables had no breakdown on the space, thus making the assessment per square foot difficult to compare with the subject property.

The Board notes that two of the Respondent's equity comparables are in close proximity to the subject property (Exhibit R-1 page 25--#3 12125 149 Street and #4 12015 149 Street). Both equity comparables support the assessment.

The Board was persuaded by the Respondent's four sales detailing condition, age and size and notes the sales comparables generally support the assessment, with one exception. The one exception is comparable #3 (11430 142 Street) that is rated in fair condition. An upward adjustment would be necessary for comparability to the subject property.

The Board was persuaded by the common sale that both parties utilized (11836 142 Street) and the time adjusted selling price per square foot of total building area was \$152.65, which supports the assessment of \$142.36.

The Board was satisfied that the Complainant did not provide sufficient and compelling evidence to form an opinion as to the incorrectness of the assessment.

#### **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

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

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Robert Mowbrey, Presiding Officer

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*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.*

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cc: 534295 Alberta Ltd