



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 410/11

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 15, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
4239687	15104 118 Avenue NW	Plan: 9422876 Block: 19 Lot: 7	\$3,853,500	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:

Bonnie Lantz, Assessor, City of Edmonton
Stephen Leroux, 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 a medium warehouse located at 15104 118 Avenue NW. The subject property has an effective year built in 1979 and a total building area of 37,980 square feet. The site coverage of the building is 43% and the 2011 assessment is \$3,853,500.

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 \$3,853,500 is in excess of market value. In support of this position, the Complainant provided four 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 1st 2010) (Exhibit C-1 page 8). The Complainant advised the Board and the Respondent to disregard sale number three, (12250 142 Street) as it was not the correct document. The Complainant further advised the Respondent and the Board that sale number 1, (11504 170 Street) is clearly an outlier. The Complainant stated that due to attributes such as age, size, location and site coverage of the subject property, it was determined that the indicated value of the subject property is \$80.00 psf.

Based on the direct sales approach, the Complainant requested an assessment of \$3,393,500.

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 five sales comparables to the Board detailing characteristics similar to the subject property in terms of age, condition; effective year built and total building area (Exhibit R-1 page 16). The Respondent advised the Board that sales 1 and 2 were the best comparables and 4 and 5 were somewhat smaller than the subject property. The five sales had an average time adjusted selling price per total square footage range of \$90.34 to \$157.98, which supports the assessment. The median TASP/total square foot is \$101.65, which supports the assessment.

Although equity was not an issue, the Respondent presented 10 equity comparables to the subject property. The comparables were homogeneous in terms of age, site coverage and size (Exhibit R-1 page 22). The Respondent's equity averages of \$96.47 assessment psf indicate support of the subject property's assessment.

The Respondent requested the Board to confirm the assessment of \$3,853,500.

DECISION

The decision of the Board is to confirm the 2011 assessment of \$3,853,500 as being fair and equitable.

REASONS FOR THE DECISION

The Board was persuaded by the Respondent's equity comparables and determined the comparables were in a very tight range. The average age and site coverage was identical to the subject property and the office mezzanine equity comparables were similar to the subject property. The average assessment per square foot for the equity comparables was \$96.47, which supports the assessment of \$90.84 psf.

The Board reviewed the Complainant's sales comparables and the Respondent's sales comparables and found the Respondent's sales comparables to be more compelling than the Complainant's sales comparables. Both parties agreed that the Complainant's sale number 1, (11504 170 Street) was an outlier.

Although there was no mezzanine office space with 11670 170 Street, both parties used this sale with their respective sales comparables and the \$101.65 TASP/leasable building area per square foot supports the subject property's assessment.

The Board reviewed the Respondent's sale number 1, (12250 142 Street) and notes the comparable is 15 years older than the subject property and rated in fair condition as opposed to the subject property's average condition, the comparable sale of \$99.32 TASP/psf of total building area exceeds the subject property's assessment psf of \$90.84.

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 14th 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: Sreit (Nuquest Edmonton) Ltd