



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 416/11

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 18, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
4046439	11635 156 Street NW	Plan: 8822650 Block: 26 Lot: 2	\$2,523,500	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
Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Will Osborne, 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 16,020square foot (sf) warehouse located at 11635 156 Street NW in the Garside Industrial neighborhood. The building has an effective year built of 1980. The site area is 84,715sf and the site coverage is 16%.

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 assessment is incorrect and inequitable. The Complainant argued that the direct sales approach indicates the property value should be \$2,290,500. The Complainant presented five sales comparables that range from \$130.38psf to \$152.42psf with an average of \$142.23psf and a median of \$143.00psf.

The Complainant submitted that both parties used the sale located at 10833 178 Street NW. With regard to the sale located at 12150 154 Street NW, the Complainant used the most recent sale that occurred in March 2009 and sold for \$147.14psf. However, the Respondent used an older sale for this same property that occurred in June 2007 and sold for \$185.15psf.

The Complainant also argued that the assessments on similar competing properties indicate that an equitable value is \$2,002,000. In support of this position, the Complainant presented five equity comparables that range from \$96.77psf to \$133.25psf with an average of \$115.43psf and a median of \$124.13psf.

The Complainant requested that the assessment be reduced to \$2,002,000.

POSITION OF THE RESPONDENT

The Respondent submitted that the subject assessment of \$2,523,500 (\$157.52psf) is correct and equitable. In support of this position, the Respondent presented ten sales comparables that range in value from \$152.42psf to \$223.97psf. As noted earlier, both parties used the comparable sale at 10833 178 Street NW and the Respondent used an older sale on the property located at 12150 154 Street NW.

The Respondent argued that the subject property, which is located on a major traffic route, should be compared to properties in a similar location. The Respondent presented ten equity comparables located on a major traffic route that show a range in assessments from \$140.70psf to \$258.52psf.

Rebuttal

The Respondent stated that the Complainant's sale #4 is a non-arms length sale between members of the same family.

The Respondent also commented on the Complainant's equity comparables lack of similarity. The Complainant's comparable #1 has a Quonset hut. Comparable #2 has poor and fair condition buildings. Comparable #3 has a Quonset hut and a metal storage building that is not heated. Comparable #4 has an unheated steel storage building and two Quonset huts.

DECISION

The subject property assessment is confirmed at \$2,523,500.

REASONS FOR THE DECISION

In the direct sales approach used to prepare the assessments for this type of property, market value is established by reference to similar sales. The best indicators of market value for the subject property are the two sales used by both parties and sales #6, #7, #8, #9 and #10 used by the Respondent. While it is acknowledged that each of these sales comparables would require minor upward or downward adjustments for different characteristics, the range of these seven sales comparables is from \$147.14psf to \$207.77psf. The subject assessment of \$157.52psf falls at the bottom of this range of comparables.

After the Board eliminated the Complainant's equity comparables that were dissimilar, there was only one equity comparable remaining. That one comparable is not sufficient evidence to persuade the Board to alter the assessment. The subject assessment is supported by the Respondent's equity comparables.

Accordingly, the Board finds the assessment to be correct and equitable.

Dated this 8th 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: R W Gibson Holdings Ltd.