



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 417/11

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 29, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
7786809	6424 Gateway Boulevard NW	Plan: 4022HW Blk: 6 Lot: D	\$2,285,500	Annual New	2011

Before:

D. H. Marchand, Presiding Officer
Judy Shewchuk, Board Member
Ron Funnell, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Walid Melhem, Agent, Altus Group

Persons Appearing on behalf of Respondent:

Mary-Alice Nagy, Assessor, City of Edmonton
Joel Schmaus, Assessor, City of Edmonton

PRELIMINARY MATTERS

No preliminary matters were raised by the Parties. Both Parties made an affirmation to tell the truth. No objection was raised as to the composition of the CARB panel. In addition, the Board members indicated no bias with respect to this file.

BACKGROUND and PROPERTY DESCRIPTION

The CARB was advised that the only common issue that applies to the subject complaint is the one itemized as number 4 - *the assessment of the subject property is in excess of its market value for assessment purposes*. The remaining common issues itemized as numbers 1-3 and 5- 7 shown on the SCHEDULE OF ISSUES at exhibit C-1 page 3 will not be argued. The Complainant also advised that their argument and supporting evidence would be relative to the subject's position to similar properties.

- The subject property is located in the CPR West subdivision of the City of Edmonton north of 63rd Avenue (Argyll) along Gateway Boulevard.
- The site contains 46,970 square feet with an IH industrial zoning.
- There is a warehouse/office building with a footprint of 20,207 square feet, built in 1974.
- The site coverage is 43%.
- The Direct Sales Comparison Approach is the valuation approach used in the preparation of the assessment.
- The unit of comparison is a per square foot rate based on the leasable building area (LBA) according to the Complainant and the main floor plus mezzanine/upper finished area according to the Respondent.

The above background and property description facts were all agreed to by the Parties.

ISSUE

Is the subject equitably assessed?

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 provided the CARB with the following **assessment equity comparables**:

Comp	Address	Assessment	YOC	Site Coverage	LBA	TASP per SF of LBA
1	4601 - 99 Street	\$2,632,000	1975	39%	23,040	\$114.24
2	5709 - 99 Street	\$2,423,500	1970	43%	22,749	\$106.53
3	4910 - 72 Avenue	\$2,006,500	1975	46%	20,609*	\$97.36
4	2920 Parsons Road	\$1,660,000	1978	46%	18,655*	\$88.98
				Requested Rate		\$102.00
Subj.	6424 Gateway Blvd.	\$2,285,500	1974	43%	20,207	\$113.10

*This area is identified as the “total gross area” on the City of Edmonton’s website.

The Complainant requested a unit of comparison rate of \$102.00 per square foot and an assessment of **\$2,061,000** as the market indicated valuation rate for the subject based on equity. This gives consideration to the subject’s age, size, location and site coverage.

POSITION OF THE RESPONDENT

The Respondent provided the CARB with the following **assessment equity comparables**:

Comp	Address	Assessment	YOC	Site Coverage	LBA	TASP per SF of LBA
1	6925 Gateway Blvd.	1,396,000	1960	35%	11,686	\$119.46
2	5734 Gateway Blvd.	1,384,500	1975	66%	12,526	\$110.53
3	5730 103A Street	1,546,500	1980	43%	13,529	\$114.31
4	5961 103A Street	2,213,500	1975	38%	19,591	\$112.99
5	7215 Gateway Blvd.	2,363,000	1969	31%	20,801	\$113.60
6	9780 51 Avenue	2,664,000	1971	34%	23,000	\$115.83
7	9843 44 Avenue	2,681,000	1974	36%	23,040	\$116.36
8	7410 68 Avenue	2,734,500	1975	38%	23,947	\$114.19
Subj.	6424 Gateway Blvd.	2,285,500	1974	43%	20,208	
				Assessment rate		\$113.10

The Respondent provided the CARB with a written brief on the “Application of the Mass Appraisal Process” with an explanation of their sales comparison model. The CARB’s attention was drawn to the paragraph that states:

“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 buildings, the total area of the main floor, developed second floor and mezzanine area.” (exhibit R-1, page 7).

The Respondent explained that their website provides the gross building area of a complex while the assessment details define the used or leasable area that forms the assessment calculation.

For example, the Complainant indicates the Gross Building Area (GBA), the Leasable Building Area (LBA), and the Main Floor Area (Main) for comparable #3 is 20,609 square feet and for comparable #4 is 18,655 square feet. The CARB was advised by the Respondent that comparable #3 has main floor space of 14,700 square feet and mezzanine space of 678 square feet for a total main floor and mezzanine/upper finished area of 15,378 square feet and is assessed at \$130.48 per square foot. The CARB was also advised by the Respondent that comparable #4 has main floor space of 14,731 square feet (no mezzanine) and is assessed at \$112.69 per square foot.

Mezzanine space used solely for storage is not considered leasable, nor is unused space, and the area is not included in assessments.

Based on the comparables provided, the Respondent requested the assessment be confirmed.

FINDINGS

- The Complainant's comparables #1, #2, and #4, with assessments of \$114.24, \$106.53 and \$112.69 respectively, support the assessment of the subject at \$113.10.
- The Respondent's comparables that were not on a major road lack similarity to the subject.
- The Respondent's comparable with a 66% site coverage is not similar to the subject's 43% site coverage.

REASONS FOR THE DECISION

This complaint is based on equity with similar property. The CARB gave consideration to both parties' comparables and gave most weight to those comparables that both parties have identified as having the most similar significant factors. The Complainant identified the subject's age, size, location and site coverage. The Respondent identified the location of the property, the size of the lot, the age and condition of the buildings, the total area of the main floor, developed second floor and mezzanine area.

The Complainant's comparables #1, #2, and #4 and the Respondent's comparables #5 to #8 are ten to fifteen percent above the rate requested by the Complainant. The CARB is not persuaded to reduce the assessment to the requested \$102.00 per square foot when the most comparable properties are assessed in the proximity of \$113.00 per square foot.

DECISION

The assessment is confirmed at \$2,285,500.

Dated this 15th day of December, 2011, at the City of Edmonton, in the Province of Alberta.

Don Marchand, 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: LAZY B CORPORATION

For MGB Administrative Use Only: *From D.H. Marchand*

Decision No.		Roll No. 7786809 Edmonton		
<u>Subject</u>	<u>Type</u>	<u>Property Sub type</u>	<u>Issue</u>	<u>Sub Issue</u>
CARB	Warehouse	Warehouse Multi tenant	Direct sales approach	Equity comparables