



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 420/11

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:
7810583	5630 - 103A Street NW	Plan: 6164HW Block: 88 Lot: 8	\$3,939,500	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 (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 interior of the Calgary Trail North subdivision of the City of Edmonton between Calgary Trail and Gateway Boulevard.
- The site contains 120,018 square feet with an IH industrial zoning.
- There are two warehouse/office buildings on site. Building #1 has a leasable building area (LBA) of 10,000 square feet and building #2 has 22,395 square feet, both built in 1966.
- The site coverage is 27%.
- 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 LBA according to the Complainant. The main floor plus mezzanine/upper finished area is used by the Respondent.

The above background and property description facts were all agreed to by both 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	7503 Girard Road	\$3,711,000	1972	31%	33,039	\$112.32
2	6704 – 78 Avenue	\$4,356,000	1975	32%	43,993	\$99.02
3	9204 – 37 Avenue	\$5,034,500	1973	21%	40,020	\$125.80
4	8210 McIntyre Road	\$4,359,500	1974	28%	42,000	\$103.80
5	9355 – 62 Avenue	\$3,428,500	1974	32%	32,530	105.40
				Requested Rate		\$105.50
Subj.	5630 – 103 A Street	\$3,939,500	1966	27%	32,395	\$121.61

The Complainant requested an assessment of **\$105.50** per square foot for a total assessment of **\$3,417,500** 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	# B	Effective Year Built	Site Coverage	LBA	TASP per SF of LBA
1	8204 - Coronet Rd	3,813,500	2	1974/1974	36%	31,457	\$121.23
2	7303 - 52 Street	4,430,500	2	1974/1975	37%	36,205	\$122.37
3	4303 - 76 Avenue	4,832,000	2	1974/1974	27%	37,714	\$128.12
4	6036 - 97 Street	3,690,000	2	1968/1968	28%	26,991	\$136.71
5	9720 - 27 Avenue	3,988,500	2	1980/1980	38%	32,368	\$123.22
6	9204 - 37 Avenue	5,034,500	2	1975/2000	21%	40,020	\$125.80
7	7503 - Girard Rd	3,711,000	1	1982	28%	32,750	\$113.31
8	7825 - Coronet Rd	1,628,500	1	1964	24%	12,029	\$135.38
9	8105 - Wagner Rd	1,830,000	1	1969	25%	13,564	\$134.91
10	6303 - Wagner Rd	2,130,000	1	1971	34%	18,517	\$115.03
11	6320 - Davies Rd	2,348,000	1	1972	33%	20,544	\$114.29
Subj.	5630 – 103 A Street	\$3,939,500	2	1966/1966	27%	32,395	
					Assessment rate		\$121.61

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-12, page 7).

The Respondent explained that sites with multiple buildings are assessed on the basis of each building’s characteristics and features. The smaller building has a higher unit of comparison rate than the large building on the basis of economies of scale. The property assessment is a blend of the two differing rates. It is not equivalent to a single building of the combined area.

The Respondent submits that the comparable at 9204 – 37 avenue is the best comparable to the subject. This comparable has 2 buildings, of similar sizes to the subject, and has a slightly lower site coverage.

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

FINDINGS

- The Complainant’s comparable #3, and the Respondent’s comparable #6 are common to both parties and is the best comparable to the subject.
- The best comparable is assessed at \$125.80 per square foot.
- Comparables located on major roads lack similarity to the subject.

REASONS FOR THE DECISION

This complaint is based on equity with similar property. It is reasonable to conclude that two buildings, each of a differing size, cost more to construct than one building of the total combined size simply on the basis of the amount of construction materials required.

The CARB gave consideration to both parties’ comparables. Most weight was given to the common comparable provided. It is located at 9204 – 37 avenue and it has 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 assessment of \$125.80 for the best comparable, that is slightly newer and has a lower site coverage, supports the assessment of \$121.61 per square foot.

The CARB is not persuaded to reduce the assessment to the requested \$105.50 per square foot.

DECISION

The assessment is confirmed at \$3,939,500.

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: ABLE INDUSTRIAL PROPERTIES INC

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

Decision No.		Roll No. 7810583 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