



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 422/11

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 21, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9990051	16021 121A Avenue NW	Plan: 0123476 Block: 4 Lot: C	\$8,886,000	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

Persons Appearing on behalf of Respondent:

Will Osborne, Assessor, City of Edmonton

PRELIMINARY MATTERS

There were no preliminary matters.

BACKGROUND

The subject is a multi-building warehouse property located at 16021 121A Avenue NW in the Hawin Park Estate Industrial neighborhood. The 215,085 square foot (sf) lot is improved with three buildings. Building #1 has an effective year built of 1997 and has a total building area of 53,507sf. Building #2 has an effective year built of 1997 and is a 5,068sf materials storage shed with a canopy. Building #3 has an effective year built of 2008 and has a total building area of 29,985sf. The site coverage is 38%.

It should be noted the Complainant and the Respondent are using different total building areas in their analyses. The Respondent uses the total building area is 83,492sf which recognizes Buildings #1 and #3 but excludes the materials storage shed. This results in an assessment of \$106.43psf. The Complainant is using a leased building area of 81,340sf which results in an assessment of \$99.89psf.

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 property assessment is neither fair nor equitable. The Complainant presented six sales comparables that have been time adjusted to the valuation date of July 1st, 2010 using the City of Edmonton time adjustment factors. The sales comparables range in sale price from \$67.46psf to \$145.25psf with a median of \$77.65psf. The sales comparables, except for the one located at 17404 111 Avenue NW, are larger than the subject and range in size from 163,368sf to 399,987sf. Both parties used the sale located at

17404 111 Avenue NW that sold for \$145.25psf but it may not be the best comparable because it is at the top of the range. This property was purchased by an adjoining neighbor.

The Complainant also presented four equity comparables that range in assessment from \$86.84psf to \$94.11psf with a median of \$91.02psf. The comparables are single buildings and the subject property has two buildings, excluding the shed.

The Complainant presented four equity comparables that are assessed an average of \$90.75psf and a median of \$91.02psf. While the subject has two buildings on site, the comparables each have one building on site. The Complainant argues that the subject property should be compared to properties which have a single building provided the total building areas are similar. The Complainant rejects the Respondent's position that single building properties should be compared only to other single building properties. In answer to questions, the Complainant admitted that he had not performed an analysis in support of his position.

In summary, the Complainant requested the Board to reduce the assessment to \$8,006,000 (\$90.00psf)

POSITION OF THE RESPONDENT

The Respondent presented eight sales comparables that range in sale price from \$116.06 to \$159.01 compared with the subject assessment of \$106.43psf. The comparables range in size from 20,296sf to 118,800sf compared with the subject total building area of 83,492sf.

The Respondent also provided twenty-nine equity comparables, of which three are for multiple building sites. The Respondent advised that these are the best comparables and they are assessed at \$115.50psf, \$108.61psf and \$111.45psf.

The Respondent submitted that the subject assessment is fair and equitable. The Respondent requested the Board to confirm the assessment on the strength of the sales and equity comparables.

DECISION

The subject property assessment is confirmed at \$8,886,000.

REASONS FOR THE DECISION

The Board reviewed the sales evidence of both parties and agrees with the use of the comparable at 17404 111 Avenue because it is similar in age, site coverage and size. Except for this one comparable sale, the Complainant's sales are much larger than the subject property. Larger properties tend to sell for less per square foot than smaller properties and therefore, the larger properties are not good indicators of value for the subject. The evidence adduced by the Complainant does not support a reduction in the assessment.

With respect to the Respondent's sales comparables, the Board finds them to be more comparable in size. Some of the sales are superior to the subject because they have a lower site

coverage and smaller total building area and this is reflected in the higher sale prices per square foot. Nevertheless, all of the sale prices per square foot are considerably higher than the subject assessment per square foot of \$106.43.

In considering the matter of equity, the Board finds the best equity comparables to be the three presented by the Respondent which are assessments for properties with multiple buildings on site. The per square foot rates for these comparables support the subject assessment.

Based on the foregoing, the property assessment is confirmed.

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: Eecol Properties Corp