



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 423/11

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 16, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1040997	11703 160 Street NW	Plan: 8121071 Block: 3 Lot: 10	\$3,050,000	Annual New	2011

Before:

Hatem Naboulsi, Presiding Officer
Brian Hetherington, Board Member
Howard Worrell, Board Member

Board Officer: Jason Morris

Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Mary-Alice Nagy, Assessor, City of Edmonton
Stephen Leroux, Assessor, City of Edmonton
Tanya Smith, Law Branch, City of Edmonton

PRELIMINARY MATTERS

The parties indicated that they had no objection to the composition of the Board. The Board members indicated that they did not have any bias with regard to the matters under appeal.

BACKGROUND

The subject property is a 32,494 square foot industrial warehouse built in 1981 on an 87,083 square foot lot. The single tenant building occupies 37% of the site located at 11703- 160 Street in the Alberta Park industrial subdivision.

The 2011 assessment of the subject is \$3,050,000 prepared using the sales comparison approach.

ISSUE(S)

The Complainant provided a schedule of issues to the Board (C-1, pgs 3-4) but confirmed there were only two issues before the Board:

- Is the assessment of the subject property in excess of its market value for assessment purposes?
- Is the assessment of the subject property fair and equitable considering the assessed value and assessment classification of comparable properties?

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 presented a 47-page brief (C-1) which included a schedule of issues, executive summary, aerial maps, photos, sample legal submissions and three comparable sales and eight equity comparables with supporting network and City of Edmonton network reports.

Three sales comparables were presented to the Board (C-1 pg 8) that indicated a site coverage range from 34% to 41%, total building areas from 18,756 to 58,853 square feet and time-adjusted sale prices ranging from \$60.45 to \$85.35 per square foot. These three properties indicated an average price of \$73.98 per square foot, with a median price of \$76.15 per square foot. The Complainant argued this supports the request of \$76.00 per square foot or \$2,469,500 for the subject property.

The Complainant presented eight equity comparables (C-1, pg 9) which indicated a site coverage ranging from 34% to 40%, total building areas ranging from 25,976 square feet to 47,805 square feet and equity assessment ranging from \$65.82 to \$93.45 per square foot. These eight properties indicated an average equity price per square foot of \$82.61 with a median price of \$82.23. Using \$82.50 per square foot for the subject would equate to a total value of \$2,680,500.

The Complainant also provided a rebuttal argument (C-2) to the Respondents brief. In this rebuttal the Complainant argued that the five sales comparables and seven of the 12 equity comparables provided by the Respondent were incomparable properties to the subject.

POSITION OF THE RESPONDENT

The Respondent presented a 24-page brief (R-1) which included an overview of mass appraisal, photos of the subject property, a direct sales detail report, and charts of five sales comparables with supporting network reports and 12 equity comparables of similar properties.

The five sales comparables showed site coverage ranging from 39% to 50% and total building areas ranging from 11,173 to 46,685 square feet. Two of the comparables #1 and #5 had second floor office space. The five properties indicated an average price of \$126.07 per square foot which the Respondent argued supports the 2011 assessment of \$93.86 per square foot or \$3,050,000.

Twelve equity comparables (R-1, pg 22) were provided showing sites which had a range of coverage from 33% to 44%, total building areas from 17,216 square feet to 24,180 square feet and equities ranging from \$92.73 to \$106.18 per square foot. These 12 properties show an average equity price of \$98.78 per square foot, which the Respondent argued supports the assessment of \$93.86 per square foot for the subject property.

DECISION

The board decision is to confirm the assessment at \$3,050,000.

REASONS FOR THE DECISION

The Board is not persuaded by the sales comparisons presented by both parties, which bear no direct relevance to the subject property.

The Board finds that seven of the eight equity comparables presented by the Complainant contained upper office space, while the Complainant's property had only a single floor (C1 – page 9). The assessment of all these comparables range from \$69.16 to \$104.65 per square foot, for an average of \$90.83. The subject is assessed at \$93.86.

The Board is persuaded by the Respondent's equity comparables (R1 – page 22), from size, site coverage, location, age and they contain no upper floor finish. The average assessment of these comparables is \$98.78 per square foot, which supports the assessment of the subject property.

DISSENTING OPINION AND REASONS

There was no dissenting opinion

Dated this 21st day of November, 2011, at the City of Edmonton, in the Province of Alberta.

Hatem Naboulsi, 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: 564967 ALBERTA LTD