



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 424/11

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:
1522200	16204 116 Avenue NW	Plan: 6097AH Block: 27	\$9,426,500	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

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 multi-tenant industrial warehouse complex, involving three separate buildings constructed in 1976 and 1977. The buildings occupy 120,887 square feet of space on the 241,765 square foot lot, which is located at 16204 116 Avenue in the Alberta Park subdivision. The buildings occupy a 50% site coverage.

The 2011 assessment of the subject is \$9,426,500, 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 chart of six sales comparables (C1 – page 8), with site coverages ranging from 35% to 56%. Two of these comparables had an upper office, similar to the complainant. The lot sizes of the comparables ranged from 76,371 square feet to 399,987 square feet, with an average lot size of 219,144 square feet, compared to the subject property's 124,173 square feet. The time-adjusted sales prices for the comparable properties ranged from \$67.46 to \$84.55, with an average price of \$74.46.

He indicated to the Board that his sales comparable #3, located at 5705 103 A Street was the best comparable in supporting his appeal for a reduction in the assessment.

The Complainant also presented a chart of four equity comparables (C1 – page 9), all of which were located in the same area of the city as the subject property. The gross area of the comparable properties ranged from 100,368 square feet to 187,703 square feet, with site occupancy ranging from 44% to 55%. The assessments per square foot of the equity comparables ranged from \$55.17 to \$64.13. He suggested to the Board that these figures supported his appeal for a reduction of the assessment of the subject property to \$60.00 per square foot, for a total assessment of \$7,450,000.

POSITION OF THE RESPONDENT

The Respondent presented to the Board a chart of five sales comparables (R1 – page 21), indicating total building areas ranging from 114,037 square feet to 399,987 square feet, with site coverages ranging from 34 – 56%. The time-adjusted sales prices per square foot ranged from \$68.93 to \$125.32, with an average of \$86.86.

He also presented a chart of six equity comparables from the same northwest area of Edmonton as the subject property. All were in average condition and the site coverage ranged from 36% to 48%, while the total floor area of the comparables ranged from 59,360 square feet to 85,515 square feet. The assessments of the comparables range from \$71.11 to \$82.64, for an average of \$75.92 per square foot.

The Respondent told the Board that the City of Edmonton had assessed the subject property's third building at a 10% negative adjustment for configuration differences from the two larger buildings.

DECISION

The decision of the Board is to confirm the 2011 assessment of the subject property at \$9,426,500.

REASONS FOR THE DECISION

The Board had difficulty in accepting the chart of sales comparisons presented by the Complainant, due to the wide range of properties presented, ranging in lot size from 127,229 square feet to 1,017,311 square feet – a difference of 87.5%.

The Board found that the chart of five sales comparables presented by the Respondent (R1 – page 21) also had a significantly wide range of lot sizes and had three sites used by the Complainant.

The Board finds that none of the Respondent's sales comparables had an upper floor, while the subject property did.

In reviewing the chart of sales presented by the Complainant, the Board found little difference between the average time-adjusted sales price of the comparables at \$74.46 per square foot with the assessment of the subject property at \$75.91 per square foot.

The lack of reliability of the sales charts presented by both the Complainant and the Respondent persuaded the Board that its decision had to rest with the equity information presented by both parties.

The Board is persuaded by the equity comparables presented by the Respondent, which indicated an average assessment of \$75.92 per square foot, while the subject property is assessed at \$75.91 per square foot, which supports the assessment.

As ruled in *Dickenson v Minister of Pensions (1952) 2 All ER 1031*, the onus is on the Complainant to provide some evidence to prove their claim. That requires the Complainant to present sales or equity information showing that the assessment is unfair, inequitable, or not in line with the market value of the property. The Complainant has not done so. In fact, the equity comparables presented by both parties clearly supports the City's assessment.

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: SREIT (NUQUEST EDMONTON) LTD