



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 428/11

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:
9980649	11635 145 Street NW	Plan: 0022266 Block: 8 Lot: 40A	\$2,701,000	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:

Mary-Alice Nagy, Assessor, City of Edmonton
Will Osborne, Assessor, City of Edmonton

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board advised the parties that the Board had no bias on this file.

BACKGROUND

The subject property is a medium warehouse located at 11635 145 Street NW. The 87,996 square foot (sf) site is improved with two buildings. Building #1 has an effective year built of 1969 and the total building area is 12,000sf. Building #2 also has an effective year built of 1969 and the total building area is 15,181sf. The site coverage is 30%. In recognition of the irregular shape of the lot, the subject property receives a negative adjustment of 10%.

ISSUE

Is the subject property assessment correct?

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 property assessment of \$2,701,000 (\$99.37psf) is in excess of market value. The Complainant argues that the direct sales approach indicates the property value should be \$2,065,500. In support of this argument, the Complainant presented six sales comparables that have been time adjusted using the City of Edmonton time adjustment factors. The sales comparables average time adjusted sale price (tasp) is \$79.07psf and the median sale price is \$80.14psf. Based on these comparables and a negative adjustment of 5% for the shape of the lot, the Complainant requested \$76.00psf.

POSITION OF THE RESPONDENT

The Respondent argued that the assessment is fair and equitable. The assessment is defended with four sales comparables that range in value from \$99.32psf to \$157.98psf. The first comparable is in fair condition with similar size, site coverage and age. It sold for the same price as the subject is assessed on a per square foot basis. The other three comparables are in average condition and are similar in size, site coverage and age. They sold for between \$101.65psf and

\$157.98psf which supports the subject assessment of \$99.37psf. Based on these sales, the Respondent requested the Board to confirm the assessment at \$2,701,000.

Although equity is not an issue, the Respondent presented ten equity comparables that range in value from \$98.77psf to \$118.10psf. Two of the comparables are located in the same Huff Bremner Estate Industrial neighborhood and are similar in age and size. These comparables have higher site coverage than the subject property which would have a downward effect on the value. They are assessed at \$108.45psf and \$98.77psf.

Rebuttal

The Respondent provided the following comments on the Complainant's sales comparables:

Sale #1 has excess land and sold with lease rates below market. Sale #2 is not a typical sale because it re-sold in 2010 for 40% more than the original sale price in 2007. There were no renovations or additions to the property from the first sale date to the second sale date. Sale #3 had a lease interest and was not used in the assessment model. The leased term had a clause to purchase the property and it was not sold on the open market.

DECISION

The property assessment is confirmed at \$2,701,000.

REASONS FOR THE DECISION

In considering this matter, the Board reviewed the sales evidence presented by the Complainant and finds that sale #5 is similar to the subject property in age, site coverage and size. It sold for \$80.86psf and supports the Complainant's requested value (\$80.00psf less 5% for the shape influence equals \$76.00psf). However, the rest of the Complainant's sales comparables are not good indicators of value for the subject property. Sale #1 has excess land which would reduce the overall per square foot value of the sale price. Sale #2 had low rents when it sold in 2007. It resold for 40% more in 2010 but had not had any renovations or additions between the two sales transactions which indicates that the first sale may have been below market value. Sale #3 was not sold on the open market and therefore, does not meet the definition of a market value sale. Sales #4 and #6 have considerably higher site coverage than the subject and are not comparable.

The Board also reviewed the Respondent's sales comparables and finds that three of the comparables are located on main arteries which are considered to be superior locations to the subject location. The three comparables that are the most similar to the subject, in terms of condition, each have higher site coverage of 39%, 45% and 50%. The higher site coverage all things equal would have a downward effect on the unit value of the sale price.

In conclusion, the Complainant produced insufficient evidence to establish that the subject assessment is incorrect.

The Board then turned its attention to the matter of equity. The Board acknowledges that the Complainant did not raise the issue of equity. However, the taxpayer has the right to a fair and equitable assessment. The subject assessment falls in the range of the equity comparables submitted by the Respondent. The two best equity comparables are located in the same neighborhood and are assessed at \$108.45psf and \$98.77psf compared with the subject per square foot assessment of \$99.37.

Based on the above findings, the assessment is confirmed at \$2,701,000.

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: Nearctic Development Corporation Ltd.