



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 434/11

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:
9992554	17306 116 Avenue NW	Plan: 0125146 Block: 1 Lot: 24B	\$13,166,000	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 large warehouse located at 17306 116 Avenue NW. The building has an effective year built of 2004 and is comprised of 137,104 square feet (sf) of main floor space and 3,648sf of mezzanine space for a total building area of 148,480sf. The site coverage is 32%.

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 subject assessment of \$13,166,000 (\$88.67sf) is in excess of market value. In support of this position, the Complainant presented five sales comparables that have been time adjusted using the City of Edmonton's factors. The sales comparables are all large warehouses of similar age. The size of the warehouses ranges from 163,368sf to 399,987sf and the site coverage ranges from 35% to 56%. The sales comparables range in time adjusted sale price (tasp) from \$67.46sf to \$84.55sf with a median tasf of \$75.11sf.

The Complainant stated that the "Economies to Scale" should be considered in valuing this property. The Complainant explained that one of the most salient features of real estate is the tendency for the price per square foot of land or building to decrease as the net square footage in a transaction increases. Conversely, the price per square foot tends to rise as the property size decreases (The Board notes that the parties are in agreement on this principle).

The Complainant stated that due to the attributes of the subject such as age, size, location and site coverage, it has been determined that the indicated value for the subject property is \$82.00 per square foot. The requested assessment is \$12,175,000 (\$82.00sf).

POSITION OF THE RESPONDENT

The Respondent presented five sales comparables including one sale located at 10235 184 Street NW that the Complainant used. The Respondent's sales comparables are warehouses that range in size from 72,877sf to 168,575sf and the site coverage ranges from 34% to 39%. The sales comparables range in tarp from \$84.55sf to \$147.66sf.

Although the Complainant raised the issue of correctness only, the Respondent presented four equity comparables of similar age and condition. The equity comparables range in building size from 41,326sf to 106,050sf and the site coverage ranges from 34% to 39%. The assessments for these equity comparables range from \$89.63sf to \$108.20sf.

In summary, the Respondent requested the Board to confirm the assessment.

DECISION

The subject property assessment is confirmed at \$13,166,000.

REASONS FOR THE DECISION

The Board reviewed the Complainant's sales comparables and finds the best comparable to be the property at 10235 184 Street NW that sold for a tarp of \$84.55sf because it is similar in building size and site coverage to the subject. The Board placed less weight on the Complainant's four other sales comparables because they had greater site coverage or, in some cases, had a larger building size. During this hearing, the Complainant made the point that larger buildings tend to sell for less per square foot than smaller buildings, all things equal, and the Board agrees with the Complainant on this point.

The Board also reviewed the Respondent's sales comparables and finds the comparables to be more similar to the subject property in age, building size and site coverage than the Complainant's sales comparables. The four best comparables are located at 17404 111 Avenue NW, 10235 184 Street NW (also used by the Complainant), 18403 104 Avenue NW and 18507 104 Avenue NW. These properties sold for a tarp of \$147.66sf, \$84.55sf, \$93.21sf and \$125.32sf respectively. These sales support the subject assessment of \$88.67sf.

Respecting equity, the Board agrees with the Respondent that the equity comparables put forth by the Respondent also support the subject assessment. In conclusion, the Board finds the subject assessment of \$13,166,000 to be correct and equitable.

Dated this 14th 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: BCIMC Realty Corporation