



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 437/11

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 15, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1525989	10767 180 Street NW	Plan: 7820005 Block: 4 Lot: 2	\$1,997,000	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 Ltd

#### Persons Appearing on behalf of Respondent:

Bonnie Lantz, Assessor, City of Edmonton  
Stephen Leroux, 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 10767 180 Street NW. The subject property has a building area of 22,941 square feet and an effective year built of 1978. The site coverage is 37% and the assessment is \$1,997,000.

## **ISSUE**

Is the subject property properly assessed?

## **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 sales chart to the Board detailing three sales that have been time adjusted using the City of Edmonton's time adjusted schedule from the date of sale to the valuation date (Exhibit C-1 page 8). The Complainant stated the comparables were similar in age, site coverage and size. The time adjusted selling price per square foot ranged \$76.75 to \$80.86 per square foot for the leasable building area. Due to the attributes, the Complainant determined the value for the subject property based on sales should be \$80 per square foot.

The Complainant presented an equity chart to the Board detailing nine equity comparables to the subject property (Exhibit C-1 page 9). The assessment per square foot of leasable building area ranged from a low of \$92.02 to a high of \$101.18. The Complainant advised the Board that #'s 5, 6 and 9 had no upper office and this was similar to the subject property. The Complainant noted that upper floors had a downward effect on the selling price per square foot. Due to the attributes such as size, location, and site coverage, the Complainant determined the equitable value for the subject property should be \$97.00 per square foot.

Based on the direct sales approach, the Complainant requested an assessment value of \$1,547,000.

## **POSITION OF THE RESPONDENT**

The Respondent presented nine sales comparables, with one property being sold twice within one year. Another comparable was sold twice within a few years. None of the comparables have upper floor space. The Respondent's sales comparables are medium warehouses that range in size from 10,050 to 18,973 square feet and the site coverages range from 23 to 56%. The sales comparables range from \$98.32 to \$180.19 per square foot (Exhibit R-1 page 16).

The Respondent presented nine equity comparables of similar size, age, condition and location to the subject property. The equity medium warehouse comparables ranged in size from 15,038 to 22,730 square feet and the site coverage ranges from 26 to 40%. The assessments for these equity comparables range from \$101.16 to \$115.56 per square foot (Exhibit R-1 page 26).

The Respondent challenged two of the Complainant's sales. Sale #1 has a site configuration issue that makes it difficult for large trucks to access the shop. Sale #2 was non-arms length and the Board should place little weight on this sale. The lease had a clause that allowed the tenant to purchase the property (Exhibit R-1 page 27).

The Respondent advised the Board that the Complainant's own equity chart generally supports the subject property's assessment.

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

## **DECISION**

The decision of the Board is to confirm the assessment of the subject property at \$1,997,000 as being fair and equitable.

## **REASONS FOR THE DECISION**

The Board reviewed the Complainant's sales. Sale #1 is inferior to the subject because of the access issue. Sale #2 was a non-arms length sale. While there was no evidence to support a predetermined sale price, the sale did not meet the definition of a market value driven sale, such as open market, prudent seller, prudent purchaser and prudent terms.

The remaining sale had upper office space, while the subject property has no upper office space. The City of Edmonton has assessed upper office space in all properties for less PSF than main space. This distorts the SF rate used by the Complainant. With only two sales comparables available, the Board considered there was not enough sales evidence to form an opinion.

The Board was persuaded by the Respondent's sales comparables and found the comparables to be more similar to the subject property in terms of location, size and no upper floor space.

The Board was persuaded by the Respondent's equity comparables to the subject property in terms of location, size and condition. The Board notes that three equity comparables of the Complainant without upper offices generally support the assessment of the subject property

(\$99.79 to \$101.18 PSF with the subject property being \$103.25 PSF).

Dated this 9<sup>th</sup> day of December, 2011, at the City of Edmonton, in the Province of Alberta.

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Robert Mowbrey, Presiding Officer

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*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.*

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cc: Kolmar Properties Ltd.