



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 441/11

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:
10018592	14515 124 Avenue NW	Plan: 0422118 Block: 5 Lot: 25	\$5,880,000	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 is a warehouse property located at 14515 124 Avenue NW in the Dominion Industrial neighborhood. The 168,430 square foot (sf) site is improved with three warehouse buildings. The total building area of 72,753sf is comprised of: Building #1 41,868sf, Building #2 28,735sf and Building #3 2,150sf.

ISSUE

Is the subject property assessment correct and equitable?

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 property assessment is incorrect and inequitable. The Complainant argued that the direct sales approach indicates that the property value should be \$5,238,000. In support of this argument, the Complainant presented three sales comparables that have been time adjusted to the valuation date of July 1st, 2010 using the City of Edmonton time adjustment factors. The sales comparables have an average sale price of \$70.92psf and a median sale price of \$71.62psf.

The Complainant's sales comparables #1 and #2 are single building properties that sold for \$60.45psf and \$71.62psf respectively. Comparable #3 has three buildings on site, as does the subject property, and it sold for \$80.70psf. The Complainant defended the use of single building properties as comparables because the marketplace looks at the total leasable area of a property rather than the number of buildings. This is a point of disagreement between the parties.

The Complainant also argued that the subject property is inequitably assessed because the assessments of similar properties indicate that an equitable value for the subject is \$5,529,000.

In summary, the Complainant requested the Board to reduce the assessment to \$5,238,000.

POSITION OF THE RESPONDENT

The Respondent submits that the subject property assessment of \$5,880,000 is correct and equitable. The Respondent presented five sales comparables that range in sale price from \$79.67psf to \$101.65psf compared with the subject assessment of \$80.82psf. The sales comparables were chosen on the basis of similarity to each of the subject buildings #1 and #2. Four of the sales comparables range in size from 39,343sf to 46,685sf and they are similar in size to buildings #1 and #2.

The Respondent explained that in the preparation of the assessment for multiple building sites, the Respondent looks at the buildings on an individual basis and then blends the rate. The Respondent disagrees with the Complainant's use of the first two comparables because they are single building properties. The Respondent agrees with the use of the Complainant's sale #3 because it is a multiple building site and coincidentally supports the assessment.

With respect to the issue of equity, the Respondent presented sixteen equity comparables that range in assessments from \$76.54psf to \$85.54psf compared with the subject assessment of \$80.82psf. Again, the Respondent chose the equity comparables based on the sizes of the individual subject buildings.

In summary, the Respondent requested the Board to confirm the assessment at \$5,880,000.

DECISION

The subject property assessment is confirmed at \$5,880,000.

REASONS FOR THE DECISION

In reviewing the evidence and argument of the parties the Board finds the Respondent's sales and equity comparables to be the most similar to the subject property. The Respondent chose comparables that are similar in size to each of the subject buildings. The subject assessment per square foot falls within the range of these sales and assessment comparables. The Board understands the Complainant's assumption that the total building area of the three subject buildings can and should be compared to a single building of similar size. However, there is a lack of evidence to support this assumption.

The Board finds that the subject property is assessed fairly and equitably with similar properties.

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: 850309 Alberta Ltd.