



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 449/11

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:
2206357	14445 123 Avenue NW	Plan: 5951KS Block: 4 Lot: 11	\$1,828,500	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 14445 123 Avenue NW in the Dominion Industrial neighborhood. The warehouse has an effective year built of 1970 and is comprised of 14,400 square feet (sf) of main floor space and 3,848sf of mezzanine space. The site coverage is 30%.

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 property assessment per square foot of \$94.02 is too high considering recent market transactions. In support of this position, the Complainant presented three sales comparables that were time adjusted to the valuation date of July 1st, 2010 using the same factors as used by the City of Edmonton. The first comparable located at 10685 176 Street NW sold in April 2007 for a time adjusted sale price (tasp) of \$1,605,100 (\$80.86sf). The second comparable located at 16703 113 Avenue NW sold in August 2008 for a tasps of \$1,136,760 (\$84.69sf) and the third comparable at 16684 113 Avenue NW sold in November 2008 for a tasps of \$1,600,890 (\$85.35sf). The Complainant requested that the assessment be reduced to \$1,652,500 (\$85.00sf) based on the median sale price of \$84.69sf of these sales comparables.

The Complainant submitted that the Respondent's sale comparable located at 16630 110 Avenue NW is superior to the subject property because it has three cranes which account for the higher sale price per square foot of \$137.34.

POSITION OF THE RESPONDENT

The Respondent defended the assessment using seven sales comparables that range in tarp from \$90.34sf to \$137.34sf. The Respondent noted that the first three sales comparables sold in fair condition for \$99.32sf, \$98.32sf and \$129.90sf. The subject is in average condition and is assessed at \$94.02sf. The remaining four sales comparables are in average condition and sold for \$101.65, \$90.34, \$137.34sf, and \$103.47sf.

Although the issue of this complaint is correctness, the Respondent also presented six equity comparables of similar age, location, size and site coverage. The assessments of the equity comparables range from \$92.02sf to \$101.55sf which supports the subject assessment of \$94.02sf.

The Respondent requested the Board to confirm the assessment based on the above evidence.

The Respondent commented on the Complainant's sales comparables as follows. The sale located at 16703 113 Avenue NW was vacant at sale date and the purchaser planned to do renovations. The sale located at 16684 113 Avenue NW is a non-arms length sale because the sale involved related corporate entities, however, the appraisal value around the time of sale was higher than the purchase price.

DECISION

The property assessment is confirmed at \$1,828,500.

REASONS FOR THE DECISION

The Board reviewed the evidence and argument of the Complainant and finds that the first sale comparable located at 10685 176 Street NW is comparable to the subject property, however, the second and third sales comparables are not good comparables. The second property at 16703 113 Avenue is not a reliable indication of market value because it was vacant at time of sale and needed renovations. The lower sale price of \$84.69sf reflects these conditions. The third property at 16684 113 Avenue is not a good comparable, either, because it is a non-arms length sale between related parties. The Board placed little weight on the comment that the appraised value was higher than the sale price because the appraisal document is not in evidence. Furthermore, best appraisal practice does not allow for the use of non-arms length sales to be used in the analysis because they are not reliable indications of market value.

The Board also reviewed the evidence and argument of the Respondent and finds that the three sales comparables located at 11670 170 Street NW, 16295 132 Avenue and 12819 144 Street NW are comparable in age, size and condition. The tarp of these comparables is \$101.65sf, \$90.34sf and \$103.47sf respectively. The Board agrees with the Complainant that the property at 16630 110 Avenue which has three cranes and sold for a tarp of \$137.34 is not a good comparable.

The Board finds that the subject assessment per square foot falls in the range of the Complainant's first sale comparable and the Respondent's three sales comparables noted above. The subject is assessed correctly and equitably based on the above findings. Accordingly, the assessment is confirmed at \$1,828,500.

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: Sipra Holdings Inc.