



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 451/11

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 17, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
2219350	14215 128 Avenue NW	Plan: 3674NY Block: 1 Lot: 8	\$2,446,000	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:

Susen Douglass, 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 and is located at 14215 128 Avenue. The subject property was constructed in 1969 and has a building area of 18,720 square feet. The site coverage is 15% and the 2011 assessment is \$2,446,000.

## **ISSUE**

Is the subject property equitably assessed with similar properties and are the equity comparables similar?

## **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 advised the Board that the complaint was an equity issue only and the Complainant filed this complaint on the basis that the subject assessment of \$2,446,000 is in excess of similar competing equitable properties. In support of this position, the Complainant presented five equity comparables to the Board detailing comparables similar to the subject property in terms of age, site coverage, and gross building area (Exhibit C-1 page 8). The comparables ranged from 1970 to 1979 in terms of age, and 15% to 18% in terms of site coverage. The size of the comparables was quite close to the subject property. The average assessment per square foot of leasable building area was \$114.69 and the median assessment per square foot of leasable building area was \$120.05.

Under argument and summation, the Complainant argued that upper office space should be valued at the same rate as the main floor space and therefore comparables with upper floor space are good. Upper floor space is finished and usable space.

Based on assessments with similar competing equity properties, the Complainant requests the 2011 assessment for the subject property should be \$2,246,000.

## **POSITION OF THE RESPONDENT**

The Respondent advised the Board regarding the mass appraisal process that the City of Edmonton utilizes for their warehouse inventory. The Respondent utilizes the direct sales methodology and sales occurring from January 2007 through June 2010 were used in the model development and testing.

Sales were validated by conducting site inspections and interviews, and by reviewing title transfers, sales validation questionnaires, and four data collection sources.

Factors found to affect value in the warehouse inventory were: the location of the property, the size of the lot, the age and condition of the building, the total area of the main floor, developed second floor and mezzanine area.

The most common unit of comparison for industrial purposes is value per square foot of building area. When comparing properties on this basis, it is imperative that the site coverage be a key factor in the comparison.

The Respondent presented 8 equity comparables to the Board detailing comparables similar to the subject property in terms of location, age, site coverage and total building area. All of the comparables were in the same neighborhood as the subject property. The eight equity comparables had an age average of 1974 and a site average of 21%. The eight equity comparables had an average assessment per square foot of total area building area of \$126.07.

In addition, the Respondent presented 10 equity comparables that while similar in some attributes, the equity comparables were from a different neighborhood than the subject property.

Under argument and summary, the Respondent argued that all of the Complainant's equity comparables except one had upper offices, whereas the subject property had no upper offices. The effect is to lower the overall assessment per square foot for the comparables.

The Respondent argued that the onus on proving the incorrectness of an assessment is with the Complainant and the Respondent stated the Complainant had not met the onus as the comparables are not similar enough to challenge the assessment.

The Respondent requested the Board to confirm the 2011 assessment of \$2,446,000.

## **DECISION**

The decision of the Board is to confirm the 2011 assessment \$2,446,000 as being equitable compared to other similar properties.

## **REASONS FOR THE DECISION**

The Board reviewed both the Complainant's equity comparables and the Respondent's equity comparables and concentrated on those equity comparables that were not on major traffic arteries or had little or no upper offices, similar to the subject property. The Board accepted equity #1 from the Complainant and #'s 3, 6 and 7 from the Respondent.

1. 15911 132 Avenue      Complainant's #1

- |                     |              |    |
|---------------------|--------------|----|
| 2. 12920 146 Street | Respondent's | #3 |
| 3. 14635 134 Avenue | Respondent's | #6 |
| 4. 12835 146 Street | Respondent's | #8 |

The average of the four equity comparables was \$130.23 which generally approximates the assessment of \$133.09.

In addition, the Board placed little weight on the Respondent's equity comparables that were not the same neighborhood as the subject property (Exhibit R- page 20).

### **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 14<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: BECKER PORTFOLIO MANAGEMENT LTD