



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 452/11

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:
9994141	10910 170 Street NW	Plan: 0126189 Block: 1 Lot: 12	\$26,225,000	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:

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 large warehouse property located at 10910 170 Street NW in the McNamara Industrial neighborhood. The 920,213 square foot (sf) site is improved with five warehouse buildings. Building #1 has an effective year built of 1979 and a total building area of 127,668sf. Building #2 has an effective year built of 2002 and a total building area of 22,401sf. Building #3 has an effective year built of 2009 and a total building area of 41,173sf. Building #4 has an effective year built of 2009 and a total building area of 9,988sf. Building #5 has an effective year built of 2009 and a total building area of 4,470sf. The site coverage is 19%.

ISSUE

Is the subject property equitably assessed with similar properties?

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 is inequitably assessed with similar properties. The Complainant stated that a review of similar properties indicated that an equitable assessment for the subject property is \$18,528,500. The Complainant presented four equity comparables that have an average assessment of \$88.57psf and a median assessment of \$87.90psf.

The Complainant argued that the subject property with a total building area of 205,876sf (five buildings) is comparable to single buildings in the same size range. The Complainant's assessment comparables #1 and #2 are single building properties over 100,000sf in size and assessed at \$95.16psf and \$76.83psf. Comparables #3 and #4 each have four buildings on site and are over 400,000sf in total building area. They are assessed at \$80.65psf and \$101.63psf. Based on these equity comparables, the Complainant requested the Board to reduce the assessment to \$18,528,500.

POSITION OF THE RESPONDENT

The Respondent submitted that the subject property assessment of \$26,225,000 is fair and equitable. The Respondent presented sixteen equity comparables that were broken down by size into three groups. The first group of equity comparables was presented in support of the assessment for the subject's building #1. These comparables range in assessment from \$113.44psf to \$131.22psf. The second group was presented to support the assessments of the subject's buildings #2 and #3, and these comparables range from \$176.44psf to \$187.76psf. The third group was presented in support of the subject's buildings #4 and #5. These comparables range from \$197.90psf to \$225.00psf.

Although the only issue is equity, the Respondent also presented eleven sales comparables. The sales comparables were broken down by size into three groups. The sales comparables sold from a low of \$125.32psf to a high of \$253.80psf.

Rebuttal

The Respondent made the following comments regarding the Complainant's equity comparables. The Complainant's comparables #1 and #2 are single building properties and not similar to the subject property with five buildings. Comparable #3 is much larger and not similar to the subject. It has four buildings on site but building #1 has a total building space of 405,542sf that includes a large cold storage component. Comparable #4 is not similar to the subject property either. It is two and one half times the size of the subject, and that size difference is reflected in the lower assessment per square foot of the comparable.

In summary, the Respondent requested the Board to confirm the subject property assessment at \$26,225,000.

DECISION

The subject property assessment is confirmed at \$26,225,000.

REASONS FOR THE DECISION

After reviewing the evidence and argument of the parties, the Board finds the Respondent's equity comparables to be the most similar to the subject property. The equity comparables are similar in size to each of the subject buildings and support the subject assessment.

Respecting the Complainant's argument, the Board is not convinced that single buildings with a similar size range would reflect the market value of the subject property comprised of five buildings. The onus is on the Complainant to prove that single buildings in the same size range as a multiple building site are similar. Insufficient evidence was provided in support of the Complainant's position.

Based on the above findings, the Board confirms the subject assessment.

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: FI Portfolio Inc.