



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 477/11

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 December 7, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10185075	12908 170 Street NW	Plan: 0940651 Block: 1 Lot: 4	\$12,951,500	Annual New	2011

#### Before:

Larry Loven, Presiding Officer  
Mary Sheldon, Board Member  
Brian Carbol, Board Member

#### Board Officer:

Annet Adetunji

#### Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

#### Persons Appearing on behalf of Respondent:

Steve Radenic, Assessor, City of Edmonton  
Melissa Zayac, Assessor, City of Edmonton

## **PRELIMINARY MATTERS**

Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

## **BACKGROUND**

The subject property is a 112,348 square foot warehouse constructed in 2009 with a site coverage of 25%, located at 12908 170 Street within the Kinokamau Plains sub-division of the City of Edmonton.

## **ISSUE(S)**

The Complainant had attached to his complaint form a schedule listing numerous issues. However, the majority of those issues had been abandoned and at the merit hearing only the following issues remained to be decided:

- Is the assessment of the subject fair and equitable when sales of comparable properties are considered?
- Is the assessment of the subject fair and equitable when the assessments of comparable properties are considered?

## **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 noted that the subject property is a large warehouse built in 2009 located in northwest Edmonton.
- The Complainant, using the Land Value Direct Sales Comparison Approach, presented five sales of similar properties in the City of Edmonton, three located in the northwest and two in the south (C-1, p.8).
- The Complainant's sales comparables resulted in an average Time Adjusted Sales Price (TASP) of \$75.35 per square foot and a median TASP of \$75.11 per square foot.

- The Complainant argued that due to the attributes of the subject property such as age, size, location and site coverage, the indicated value of the subject property, as determined by the Complainant, is \$90.00 per square foot.
- The Complainant also presented six equity comparables of similar properties located in northwest Edmonton (C-1, p.9).
- The average assessment value per square foot of these six equity comparables was given by the Complaint as \$90.19 and the median assessment value per square foot as \$91.39.
- The Complainant further argued that due to the attributes of the subject such as size, location, and site coverage of the subject property, it was determined by the Complainant that the indicated value per square foot of the subject property is \$92.00.
- The Complainant concluded that the subject property is not at typical market value as of July 1, 2010.
- Using the direct sales approach, the Complainant indicated that the property value should be \$9,990,000 based on \$90.00 per square foot.
- The assessments of similar competing properties given by the Complainant indicate the property value for the subject should be \$10,212,000, based on \$92.00 per square foot.
- The Complainant submitted that the 2011 assessment for the subject property be set at \$9,990,000.

### **POSITION OF THE RESPONDENT**

- The Respondent advised the Board that the sales comparison approach to value was used in the assessment of the subject and indicated that this is the preferred approach to value when there are sufficient valid sales available (R-1, page 6).
- In support of its position that the current assessment of the subject was fair and equitable, the Respondent submitted to the Board a chart of four sales of comparable properties (R-1, p. 22). The average time adjusted sale price per square foot of these sales comparables was \$139.34. The Respondent acknowledged that some of these comparables, #1 and #2, were located on the south side, whereas the subject's location is the northwest of the city. The Respondent acknowledged further that comparables #1 and #2 were older than the subject and had higher site coverages. In the opinion of the Respondent, comparable #4 was a good comparable in that it was located in the northwest area, similar to the subject property, was of a similar age and was fairly close in size and age. The time adjusted price per square foot of that sales comparable was \$125.32. The Respondent argued that this supported the assessment of the subject at \$116.68 per square foot.
- In further support of its position that the current assessment of the subject was equitable, the Respondent provided a chart of five equity comparables. These equity comparables were all located in the northwest area, were of similar age, and the average assessment

per square foot of these equity comparables was \$124.79. The Respondent argued that this supported the assessment per square foot of the subject at \$116.68.

- The Respondent submitted to the Board that this evidence demonstrated that the current assessment of the subject was fair and equitable and requested that the Board confirm the assessment at \$12,951,500.

## **DECISION**

It is the decision of the Board to confirm the 2011 assessment at \$12,951,500.

## **REASONS FOR THE DECISION**

The characteristics of five sales comparables provided by the Complainant and the four sales comparables provided by the Respondent are summarized in the following table.

	<b>Complainant Min</b>	<b>Complainant Max</b>	<b>Subject</b>	<b>Respondent Min</b>	<b>Respondent Max</b>
<b>Location</b>	3-West; 2-SouthEast		<b>West</b>	2-West; 2-SouthEast	
<b>TASP/Sq. Ft.</b>	\$69.89	\$85.55	<b>\$116.68</b>	\$116.06	\$125.32
<b>Building Size</b>	163,368	399,767	<b>112,348</b>	74,801	118,800
<b>Year Built</b>	1996	2007	<b>2009</b>	1978	2007
<b>Site Coverage</b>	35%	36%	<b>25%</b>	34%	42%

The characteristics of the six equity comparables provided by the Complainant and the five equity comparables provided by the Respondent are summarized as follows:

	<b>Complainant Min</b>	<b>Complainant Max</b>	<b>Subject</b>	<b>Respondent Min</b>	<b>Respondent Max</b>
<b>Location</b>	6-West		<b>West</b>	5-West	
<b>Assessment/Sq. Ft.</b>	\$80.27	\$103.44	<b>\$116.68</b>	\$108.61	\$168.72
<b>Building Size</b>	92,374	164,727	<b>112,348</b>	52,260	125,822
<b>Year Built</b>	2000	2008	<b>2009</b>	2000	2007
<b>Site Coverage</b>	32%	35%	<b>25%</b>	15%	37%

In its consideration of the above evidence and argument, the Board finds that although the Complainant provided sales and equity comparables that questioned the correctness and fairness of the assessed value of the subject property, these were counterbalanced by the sales and equity comparables provided by the Respondent. Further, the Board was provided with little further information on which it could rely to reduce the assessment of the subject property from the assessed value of \$12,951,000 (\$166.68 per square foot) to the requested value of \$9,900,000 (\$90.00 per square foot).

## **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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Larry Loven, 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: KS 12908 – 170<sup>th</sup> St NW Inc.