



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 482/11

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:
9956618	17104 118 Avenue NW	Plan: 9822689 Lot: 2	\$6,672,500	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 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 large warehouse located at 17104 118 Avenue. The subject property has an effective year built of 1998 and a building area of 48,811 square feet. The site coverage is 13% and the 2011 assessment is \$6,672,500.

ISSUE(S)

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 filed this complaint on the basis that the subject assessment of \$6,672,500 is not equitable in relation to other similar properties. In support of this position, the Complainant presented five equity comparables (C-1 page 8). The Complainant stated that all comparables were located in the northwest quadrant of the city similar to that of the subject. The ages range from 1987 through to 2000 and the leasable building areas range from 30,730 to 66,620 square feet with site coverage from 10% to 18%. The assessment price per square foot ranged from \$116.55 to \$146.43. The average of the 5 indicators is \$127.52 per square foot and the median is \$124.72 per square foot.

The Complainant requested a 2011 assessment of \$6,101,000 based on \$125.00 per square foot.

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 eight equity comparables to the Board (Exhibit R-1 page 20). The Respondent stated the comparables were similar to the subject property in terms of location, age, condition, site coverage and assessment per square foot of total area. The assessment per square foot for the total area ranged from \$133.25 to \$182.65. The assessment per square foot of total area for the subject property is \$136.70

In addition, the Respondent presented eight sales comparables similar to the subject property in terms of age, site coverage, condition and total building area (Exhibit R-1 page 19). The sales comparables ranged from \$117.08 to \$233.49 selling price per square foot of total building area. The assessment per square foot of the subject property is \$136.70.

Under summation and argument, the Respondent stated the subject's assessment was prepared in the same manner as all the other properties, and is equitable.

The Respondent asked the Board to confirm the 2011 assessment of \$6,672,500.

DECISION

The decision of the Board is to confirm the 2011 assessment of \$6,672,500 as being fair and equitable.

REASONS FOR THE DECISION

The Board was persuaded by the Respondent's equity comparables as they were quite similar to the subject property in terms of age, condition and size.

The Board reviewed the Complainant's equity comparables and noted the following:

1. Equity comparables #'s 2 and 3 support the assessment as it now stands.
 - A. 11403 174 Street \$131.36 assessment per square foot of LBA
 - B. 17920 118 Avenue \$146.43 assessment per square foot of LBA
2. Equity comparable #1 (10918 184 Street) is much larger than the subject property and with the economies of scale, the comparable would have to be adjusted upward to compare with the subject property.
3. Equity comparable #4 (13008 163 Street) is 11 years older than the subject property and would have to be adjusted upward to compare with the subject property.

The Board reviewed the Respondent's sales comparables and found the sales comparables lacking in comparability. Sales comparables #'s 2, 4, 5, 7, and 8 were located in the southeast quadrant. The Board is of the opinion that there are sufficient sales comparables in the same market area as the subject property without resorting to sales comparables in another market area of the City.

Sale comparable #6 is in the Winterburn area and is in a different market area.

Sale comparables #'s 1 and 3 are close to the subject property, but have much higher site coverages than the subject property.

The Board did not rely on the Respondent's sales comparables as they were too dissimilar with the subject property.

However, the Board is satisfied that the Complainant did not provide sufficient and compelling evidence to form an opinion as to the correctness of the assessment.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 15th 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: 808373 ALBERTA LTD