



ASSESSMENT REVIEW BOARD

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10019 103 Avenue
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NOTICE OF DECISION NO. 0098 493/11

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:
9956619	17308 118 Avenue NW	Plan: 9822689 Lot: 3	\$8,817,500	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 two building medium warehouse located at 17308 118th Avenue. The subject property has an effective year built of 2008 and a total building area of 52,260 square feet. The site coverage is 15% and the 2011 assessment is \$8,817,500.

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 \$8,817,500 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 on a major traffic artery in the northwest quadrant of the city similar to that of the subject. The ages range from 1993 through to 2000 and the leasable building areas range from 30,730 to 66,620 square feet with site coverage from 13% to 18%. The assessment per square foot ranges from \$118.55 to \$146.43. The average of the 5 indicators is \$131.55 per square foot and the median is \$131.36 per square foot.

The Complainant requested a 2011 assessment of \$6,793,500 based on \$130.00 per square foot.

POSITION OF THE RESPONDENT

At the beginning of the Respondent's presentation, the Respondent asked the Board to disregard the evidence found in R-1 pages 20 and 21.

The Respondent advised the Board regarding the mass appraisal process that the City of Edmonton uses 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 eighteen equity comparables similar to the subject property in terms of age, site coverage, condition total building area (Exhibit R-1 page 22). The equity comparables range from \$150.72 to \$222.03 assessment per square foot of total building area. The assessment per square foot of the subject property is \$168.72.

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 \$8,817,500.

DECISION

The decision of the Board is to reduce the 2011 assessment of \$8,817,000 to \$7,979,000 as being fair and equitable.

REASONS FOR THE DECISION

The Board reviewed both the Complainant's equity comparables and the Respondent's equity comparables and determined the best comparables were those on 118th Avenue, the same as the subject property.

The Board chose three of the Complainant's equity comparables and four of the Respondent's equity comparables to arrive at an equitable assessment per square foot for the subject property. The Board chose those properties that were similar in location, age, size and site coverage.

1.	17020 118 Avenue	Complainant's #3	\$146.43
2.	17104 118 Avenue	Complainant's #4	\$136.70
3.	18110 118 Avenue	Complainant's #5	\$124.72
4.	16230 118 Avenue	Respondent's #5	\$152.68
5.	18353 118 Avenue	Respondent's #7	\$154.94
6.	15825 118 Avenue	Respondent's #10	\$163.75
7.	18008 118 Avenue	Respondent's #13	\$176.44

The average of the seven equity comparables is \$150.80 assessment per square foot and the median of the seven equity comparables is \$152.68 assessment per square foot. The Board chose

the median as the preferred measurement of valuation for assessment purposes. The median with seven comparables tends to discount any wide discrepancies.

The calculation for the amended 2011 assessment is \$152.68 times 52,260 square feet equals \$7,979,000.

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