



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 495/11

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:
3027182	12950 144 Street NW	Plan: 3674NY Block: 5 Lot: 1	\$2,310,500	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 medium warehouse located at 12950 144 Street. The subject has an effective year built of 1988 and a building area of 25,077 square feet. The site coverage is 57% and has a 2011 assessment of \$2,310,500.

ISSUE

What is the market value of the subject property?

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 property assessment of \$2,310,500 is in excess of market value. In support of this position, the Complainant presented four sales that have been time adjusted using the City of Edmonton's time adjustment schedule from the date of sale to the valuation date (July 1st, 2010) (Exhibit C-1 page 8). The Complainant's comparables ranged from 24,198 square feet to 47,209 square feet for total building leasable building area. The time adjusted selling price per square foot of total leasable building area was \$73.66 to \$92.76. The Complainant stated that due to attributes such as age, size, location and site coverage of the subject property, it was determined that the indicated value of the subject property is \$83.00 per square foot for the subject property.

Based on the direct sales approach, the Complainant requested a 2011 assessment of \$2,081,000.

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 six sales comparables to the Board detailing comparables similar to the subject property in terms of age, condition, effective year built and total building area (Exhibit R-1 page 19). The sales per time adjusted selling price per square foot of total building area ranged from \$80.38 to \$103.47.

The Respondent advised the Board that two sale comparables were common to both parties (16295 132 Avenue and 10646 178 Street). The time adjusted selling price per square foot of total area for the two common comparables is \$80.38 and \$90.34.

The Respondent challenged the Complainant regarding the Complainant's #3 sale, (15397 117 Avenue) stating the sale was a non-arms length sale. The sale is non-arms length as the parties are related.

In addition, the Respondent challenged the Complainant's sale #1 (20 Airport Road) stating that 50% of the roof required replacement and the purchaser absorbed the cost.

The Respondent requested the Board to confirm the assessment of \$2,310,500.

DECISION

The decision of the Board is to confirm the 2011 assessment of \$2,310,500 as being fair and equitable.

REASONS FOR THE DECISION

The Board notes that the Complainant's time adjusted price per square foot of total area sales comparables #'s 2 and 3 generally support the assessment (16295 132 Avenue \$89.22) (15397 117 Avenue \$92.76).

Although both parties used the sales comparable at 10646 178 Street, the Board did not consider this comparable similar to the subject property as the third party documents state the site configuration makes it difficult for large trucks to access the shop.

The sale comparable at 16925 132 Avenue, was utilized by both parties and the time adjusted selling price per square foot of total area of \$90.34 generally supports the assessment.

With the sales comparables of the Complainant having a site configuration issue, a non-arms length sale and 50% of a roof being absorbed by the purchaser, the Board has little weight to put on the Complainant's comparables.

With one comparable by the Complainant that supports the assessment, the Board is satisfied that the Complainant did not provide sufficient and compelling evidence to form an opinion as to the incorrectness 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: PRODUCTION DIE-MAKERS & MACHINE LIMITED