



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 503/11

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:
3047370	16718 121 Avenue NW	Plan: 8521245 Block: 3 Lot: 9	\$4,120,500	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 medium warehouse located at 16718 121 Avenue NW and has a building area of 22,560 square feet. The warehouse has an effective year built of 1999. The subject property has site coverage of 10% and the 2011 assessment is \$4,120,500.

ISSUE(S)

Is the subject property equitable 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 \$4,120,500 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 advised the Board that the comparables were similar to the subject property in terms of age and site coverage. The comparables ranged from \$150.72 to \$169.95 assessment per square foot of leasable building area. The average of the five comparables is \$160.12 and the median is \$157.24.

Based on assessments of similar competing properties, the Complainant requested a 2011 assessment of \$3,541,500.

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 twenty equity comparables to the Board. The Respondent advised the Board the comparables were similar in terms of age, condition, site coverage and size. The assessment per square foot of total area ranged from \$157.24 to \$293.80. The subject property's assessment per square foot of total area is \$182.65.

Although equity was the only issue, the Respondent presented six sales to the Board (Exhibit R-1 page 19). The Respondent indicated the sales comparables were similar to the subject in terms of size and site coverage. The building size ranged from 5,600 square feet to 14,855 square feet. The site coverage ranged from 9% to 20%. The time adjusted selling price per square foot of total area ranged from \$198.85 to \$269.93. The average TASP/sf of the total area was \$224.88 and the median was \$210.31, which supports the assessment per square foot of total area of \$182.65.

The Respondent challenged the Complainant's equity comparable #1 (184 118A Avenue) stating the total building area included a storage shed. In addition, there was no breakdown of the space, making the comparability difficult.

The Respondent challenged the Complainant's equity comparable #2 (117 181 Street) stating there were three buildings and one is a relocatable office. In addition, there was no space breakdown.

The Respondent asked the Board to confirm the 2011 assessment of \$4,120,500.

DECISION

The decision of the Board is to confirm the 2011 assessment of \$4,120,500 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 better evidence was provided by the Respondent.

The Board notes that the most common unit of comparison for industrial properties 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 (R-1 page 8).

The Board selected six equity comparables from the Respondent's twenty equity comparables and the basis of selection was the site coverage of 10% to 12%.

1.	20203 110 Avenue	12%	2008	10,440 square feet	\$189.85
2.	15210 Yellowhead Trail	10	1993	25,467	\$157.24
3.	20203 113 Avenue	10	2003	11,807	\$175.15
4.	17620 105 Avenue	11	1991	10,668	\$200.56
5.	14610 Yellowhead Trail	10	1998	21,785	\$167.78
6.	15425 118 Avenue	12	2006	12,000	\$267.33

The Board notes that 15210 Yellowhead Trail and 14610 Yellowhead Trail were common to both parties.

The average of the Respondent's six equity comparables was \$192.98 and the median was \$182.50. The Board chose the median as the preferred measurement of valuation for assessment purposes. The median with six comparables tends to discount any wide discrepancies.

The median of \$182.50 is extremely close to the subject property's 2011 assessment of \$182.65.

The Board found there were issues with a few of the Complainant's comparables such as no breakdown on the space and a shed included in the building area and a relocatable office.

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 16th 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: REIMER WORLD PROPERTIES CORP/PROPERTIES MONDIALES REIMER CORP