



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 504/11

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:
2219087	14055 128 Avenue NW	Plan: 5841RS Block: 1 Lot: 3A	\$3,079,000	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 14055 128th Avenue. The subject property has an effective year built of 1972 and has a building area of 33,120 square feet. The site coverage of the subject property is 30% and the 2011 assessment is \$3,079,000.

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 \$3,079,000 is in excess of market value. In support of this position, the Complainant presented three sales that have been time adjusted using the City of Edmonton's time adjustment schedule from the date of sale to the valuation date of July 1st, 2010.(Exhibit C-1 page 8). 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 \$80.00 psf.

In addition, the Complainant also provided eight equity comparables (Exhibit C-1, page 9). The average assessment per square foot of leasable building area for the equity comparables is \$87.72 and the median is \$85.55. The Complainant stated that due to attributes such as age, site coverage, and location, it was determined that the indicated equitable value for the subject property should be \$86.00 per square foot.

Under argument and summation, the Respondent asked if there were any recent sales as all three of the Complainant's sales were in 2007. The Complainant stated that the three sales in 2007 were all time adjusted to the valuation date of July 1st, 2010.

Based on the direct sales approach, and backed up by equitable similar competing properties the Complainant requested an assessment of \$2,664,500.

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 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 six sales had a time adjusted selling price per total square footage range of \$76.99 to \$147.14, which supports the assessment. The average of the six sales is \$111.49 per time adjusted selling price per total square footage area, which supports the assessment of \$92.96.

In addition, the Respondent presented 25 equity comparables to the subject property. The comparables were homogeneous in terms of age, site coverage and size (Exhibit R-1 page 20). The equity comparables ranged from \$89.95 to \$114.41 assessment per square foot for total area.

Under argument and summation, the Respondent advised the Board that a number of the Complainant's equity comparables actually supported the assessment of the subject property.

The Respondent requested the Board to confirm the 2011 assessment of \$3,079,000.

DECISION

The decision of the Board is to confirm the 2011 assessment of \$3,079,000 as fair and equitable.

REASONS FOR THE DECISION

The Board reviewed the Complainant's sales comparables and the Respondent's sales comparables and found the Respondent's sales comparables to be more compelling than the Complainant's sales comparables. One of the Complainant's sales comparables had issues that made the comparability difficult. Comparable #3 (5104 129th Avenue) is 17 years newer than the subject property and was built using metal frame construction which is difficult to compare with

the subject. In addition, the Board concentrated on those comparables that had little or no upper offices as upper offices tend to skew the selling price per square foot.

With the Complainant having only one or two sales to rely upon, there was not enough evidence for the Board to form an opinion as to incorrectness of the assessment.

The Board notes that a number of the Complainant's equity comparables do support the subject property's 2011 assessment of \$92.43 (Exhibit C-1 page 9 #'s 1,3 and 6).

Therefore, the Board was 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: BARAMY INVESTMENTS LTD.