



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 505/11

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 18, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1481506	11220 153 Street NW	Plan: RN58 Block: 3 Lot: 2	\$2,030,500	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
Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Will Osborne, 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 located at 11220 153 Street NW in the High Park Industrial neighborhood. The 40,474 square foot (sf) site is improved with two warehouse buildings. Building #1 has an effective year built of 1976 and has a total building area of 10,200sf. Building #2 has an effective year built of 1976 and a total building area of 9262sf. The site coverage is 45%. Building #2 received a -10% adjustment for rear building configuration.

ISSUE

Is the subject property assessment correct and equitable?

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 is incorrect and inequitable. The Complainant argued that the direct sales approach indicates that the property value should be \$1,692,500. The Complainant presented four sales comparables that have been time adjusted using the City of Edmonton time adjustment factors. The comparables have an average sale price of \$88.10psf and a median sale price of \$86.09psf. The Complainant noted that both parties used sale #4 located at 12819 144 Street NW.

The Complainant also argued that assessments for similar competing properties indicate that an equitable value for the subject is \$1,751,500. The Complainant presented nine equity comparables that have an average assessment of \$86.94psf and a median assessment of \$88.72psf. Based on the above comparables, the Complainant requested the Board to reduce the assessment to \$1,692,500 or \$89.00psf.

Rebuttal

The Complainant stated that the Respondent's sales comparables #5 to #14 are located in Southeast Edmonton and are superior to the subject. As well, sale #2 was acquired by the tenant.

The Complainant and the Respondent disagree as to whether properties with more than one building, such as the subject property with two buildings, should be compared only to properties with more than one building. The Complainant advanced the argument that the critical factor is the total building area and not the number of buildings on site. No documentary evidence was provided to support this position.

POSITION OF THE RESPONDENT

The Respondent submitted that the assessment of \$2,030,500 is fair and equitable. The Respondent presented fourteen sales comparables. Sales comparables #5 through #14 are located in the southeast quadrant. The sale prices listed in the document are the original sales prices and these sales have not been time adjusted. The four sales remaining range in sale price from \$103.47psf to \$157.98psf. The Respondent pointed out that sale #2 located at 12819 144 Street NW was used by both parties and the sale price of \$103.47psf supports the subject assessment of \$103.15psf.

The Respondent also presented nine equity comparables that have an assessment range from \$101.59psf to \$111.16psf. However, the Respondent argued that the last four assessment comparables are the most similar to the subject because they each have two buildings. The assessments for these four comparables range from \$101.59psf to \$111.16psf.

In summary, the Respondent requested the Board to confirm the assessment at \$2,030,500.

Rebuttal

The Respondent stated that three of the Complainant's sales comparables should not be used. Sale #1 is a non arms length sale involving the same parties. Sale #2 had a lease interest wherein the purchaser leased property for a period of four years and had an option to purchase at set terms. Sale #3 has a site configuration that makes it difficult for large trucks to access the shop. Sale #4 was used by both parties and it supports the current assessment.

The Respondent also commented on the Complainant's equity comparables. Comparable #2 has two buildings, but one is a shed. Comparable #7 has fire damage and is not similar to the subject.

DECISION

The property assessment is confirmed at \$2,030,500.

REASONS FOR THE DECISION

After reviewing the Complainant's evidence and argument, the Board finds that the best sale comparable is the one located at 12819 144 Street NW and used by both parties. This comparable is similar in age and total building area, however it is slightly inferior in site coverage. Sales #1, #2 and #3 are not typical of the marketplace and are not good indicators of value for the subject property. In reviewing the Complainant's equity comparables, the Board finds that the subject property assessment of \$103.15psf falls within the range comparables. In conclusion, the Complainant's evidence does not support a reduction in the subject assessment.

The Board also reviewed the Respondent's evidence and argument and placed no weight on the sales comparables #5 to #14 because they were not time adjusted to the valuation date of July 1st, 2010. Sales comparables #1 to #4 support the assessment, as does the Respondent's equity comparables.

There was disagreement between the parties on whether a property with more than one building is similar to a property with only one building provided the total leasable area is the same. The onus is on the Complainant to provide sufficient evidence in support of his position. This was not done.

Based on the above findings, the property assessment is confirmed.

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: Gregg Properties Co. Ltd.