



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 506/11

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:
1595479	11620 181 Street NW	Plan: 8022656 Block: 6 Lot: 9	\$6,121,000	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 medium warehouse located at 11620 181 Street Edmonton. The subject property has an effective year built of 1984 and a total building area of 68,988 square feet. The site coverage is 28% and the 2011 assessment is \$6,121,000.

## **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 subject property assessment of \$6,121,000 is in excess of market value. In support of this position, the Complainant presented six 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 1<sup>st</sup>, 2010 (Exhibit C-1 page 8). The Complainant's comparables ranged from 39,344 square feet to 70,440 square feet for total building leasable building area. The time adjusted selling price per square foot of total leasable building area was \$50.16 to \$133.91. 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 per square foot for the subject property.

In addition, the Complainant presented three equity comparables to the Board. The equity comparables ranged from in age from 1971 to 1981. The site coverage ranged from 20% to 36%. The assessment per square foot of total leasable building area was \$72.98 to \$86.66.

Under argument and summation, the Complainant stated the equity comparables were in a tight range and showed an \$80.00 assessment per square foot is fair and equitable.

The Complainant advised the Board that all comparables were on the north side and close to the subject property.

Based on the direct sales approach and backed up by similar competing equity comparables, the Complainant requested an assessment of \$5,519,000.

### **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 nine 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 20). The sales were selected for similar properties to the subject property in terms of size and location. The Respondent noted that sales three to seven were on the Southside.

The sales per time adjusted selling price per square foot of total building area ranged from \$71.62 to \$93.99 with an average of \$79.20 per square foot.

The Respondent presented eight equity comparables to the subject property. The comparables were homogeneous in terms of age, site coverage and size (Exhibit R-1 page 21). The Respondent noted that all of the equity comparables were in the west end, similar to the subject property. The Respondent's equity average of \$87.70 assessment per square foot indicates support for the subject property's assessment of \$87.81 per square foot.

The Respondent requested the Board to confirm the assessment of \$6,121,000.

### **DECISION**

The decision of the Board is to reduce the 2011 assessment of \$6,121,000 to \$5,519,000 as fair and correct with other competing similar properties.

## **REASONS FOR THE DECISION**

The Board reviewed both the Complainant's direct sales comparables and the Respondent's direct sales comparables and concentrated on those direct sales comparables that had little or no upper offices similar to the subject property and were in the same quadrant that the subject property was located. The Board accepted direct sales #'s 3 and 6 from the Complainant and #'s 1, 2 and 8 from the Respondent.

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|---------------------|------------------|
| 1. 14510 124 Avenue | Complainant's #6 |
| 2. 12930 148 Street | Complainant's #3 |
| 3. 11771 167 Street | Respondent's #1  |
| 4. 20 Airport Road  | Respondent's #2  |
| 5. 11448 149 Street | Respondent's #8  |

The average of the five direct sales comparables was \$78.00 which supports the argument of the Complainant's assessment of \$80.00.

The Board did not accept the comparables by the Respondent from the south side as it was not geographically close to the subject property. In addition, the Board concentrated on comparables without any upper offices.

The Board noted that the Respondent's direct sales chart was most difficult to read and comprehend, due to the size of the numbers. (Exhibit R-1 page 20).

Regarding the Complainant's comparables, the Board noted that direct sales #'s 2 and 5 were considered outliers by the Board.

## **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 15<sup>th</sup>. day of December, 2011, at the City of Edmonton, in the Province of Alberta.

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Robert Mowbrey, Presiding Officer

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*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.*

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cc: CARDINAL HEALTH CANADA INC