



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 547/11

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 23, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9985679	6010-30 STREET NW	Plan: 0024504 Lot: A	\$27,706,500	Annual New	2011

Before:

Warren Garten, Presiding Officer
Brian Carbol, Board Member
Mary Sheldon, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Walid Melhem

Persons Appearing on behalf of Respondent:

Shelly Milligan, Assessor, City of Edmonton

PRELIMINARY MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board Members indicated no bias with respect to this file.

No other preliminary matters were brought forward before the Board

BACKGROUND

The subject property is a medium manufacturing plant located in the southeast (annexed) Industrial subdivision of the City of Edmonton with a municipal address of 6010-30 Street. The property has a building area of 68,250 square feet on a site area of 6,461,981 square feet. The land is currently zoned AGI and has rural servicing.

ISSUE(S)

The main merit issue before the board is market value of the land (only) using the Direct Sales Comparison Approach to Value of the subject parcel totaling 6,461,981 square feet.

LEGISLATION

Municipal Government Act, RSA 2000, c M-26

s. 1(1)(n) ‘market value’ means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer.

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, using the Land Value Direct Sales Comparison Approach, presented seven sales of similar industrial zoned properties in the city of Edmonton (C-1, p.10).
- These sales averaged \$2.60 per square foot with a median of \$2.11 per square foot.
- The Complainant indicated that 6 of the 7 sales of the properties used were valued lower than the current assessment of the subject property.
- The Complainant indicated in response to questioning by the Respondent that the subject property was unserviced (C-1, p.6) as were the comparables used by the Complainant (C-1, p. 14-22)

- Based on these sales comparables the Complainant requests a revised assessment for the land portion of the subject property of \$2.25 per square foot for a total requested revised assessment of \$17,331,000 (C-1, p. 10).

POSITION OF THE RESPONDENT

- The Respondent advised the Board that she was prepared to recommend an amendment to the current assessment for the subject. She recommended that the assessment be reduced to \$26,701,000. Since this was not acceptable to the Complainant, the Respondent continued with the merit hearing.
- In support of the argument that the recommended reduced assessment for the subject was fair and equitable, the Respondent produced a chart of 3 sales of land which she stated were comparable to the subject (R-1, p. 25). The median time adjusted sale price per square foot of these comparables was \$3.65.
- The Respondent noted for the Board that these three comparables were presented as well by the Complainant as comparables. She noted for the Board as well that comparable #2 and comparable #3 were the best comparables based on size and that the average time adjusted sale price per square foot of those two comparables amounted to \$3.00.
- The Respondent advised the Board that the current assessment per square foot for the land portion of the subject was \$3.86. Based on the comparables presented and especially considering that the median time adjusted sale price of those comparables was \$3.65, the Respondent submitted to the Board that an assessment per square foot for the subject land of \$3.70 was more appropriate. Accordingly, the Respondent argued that the recommended amended assessment for the subject at \$26,701,000 was fair and equitable.
- The Respondent requested that the Board reduce the assessment of the subject from \$27,706,500 to the recommended amended value of \$26,701,000.

DECISION

The Board's decision is to reduce the 2010 assessment to \$22,178,000 based on a land value of \$3.00 per square foot.

REASONS FOR THE DECISION

In reaching its decision, the Board considered all argument and evidence. The board found that most of the sales provided by the Complainant were less than half the size or in dissimilar locations of the subject. Both the Complainant and Respondent provided one sale comparable which the board found to be an outlier located at 225 130 Ave with a selling price of \$5.26 per square foot, for a site less than half the size of the subject.

The Board found that upon review of comparable land sales provided by both the Complainant and Respondent there were 2 sales in the evidence packages that were common. These are

13004 33 Street	6,580,261 Square Feet
9604 41 Avenue	6,108,375 Square Feet

The Board placed the most weight on these 2 sales as the size, location and characteristics appeared closest to the subject.

The average time adjusted selling price of the above 2 sales is \$3.00 per square foot.

The Board placed little weight on the City of Edmonton's recommended reduction to \$3.70 per square foot as this was calculated using the outlier sale at 225 130 Avenue which skewed the resulting calculation.

DISSENTING OPINION AND REASONS

There were no dissenting opinions regarding this decision.

Dated this 14th day of December, 2011, at the City of Edmonton, in the Province of Alberta.

Warren Garten, 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: Shaw Pipe Protection Limited