



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 553/11

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 29, 2011, respecting a complaint for:

| Roll Number | Municipal Address | Legal Description | Assessed Value | Assessment Type | Assessment Notice for: |
|-------------|---------------------|---------------------------------|----------------|-----------------|------------------------|
| 4115325 | 15310 112 Avenue NW | Plan: RN58 Block: 3 Lot: 1 & 12 | \$2,624,000 | Annual New | 2011 |

Before:

John Noonan, Presiding Officer
Reg Pointe, Board Member
Taras Luciw, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Chris Buchanan, Altus Group

Persons Appearing on behalf of Respondent:

Stephen Leroux, Assessor, City of Edmonton
Will Osborne, Assessor, City of Edmonton

BACKGROUND

The subject property is a 20,772 sq.ft. storage warehouse covering 26% of a lot of approximately 80,900 square feet at municipal address 15310 112 Avenue NW in the High Park Industrial neighbourhood of northwest Edmonton. It was assessed on the direct sales comparable method, and the 2011 assessment is \$2,624,000.

ISSUE(S)

An attachment to the complaint form identified the following issues:

1. The subject property is assessed in contravention of Section 293 of the Municipal Government Act and Alberta Regulation 220/2004.
2. The use, quality, and physical condition attributed by the municipality to the subject property are incorrect, inequitable and do not satisfy the requirement of Section 289 (2) of the Municipal Government Act.
3. The assessed value should be reduced to the lower of market value or equitable value based on numerous decisions of Canadian Courts.
4. The assessment of the subject property is in excess of its market value for assessment purposes.
5. The assessment of the subject property is not fair and equitable considering the assessed value and assessment classification of comparable properties.
6. The information requested from the municipality with regards to the assessment roll was so expensive that the costs impeded access to information.
7. The classification of the subject premise is neither fair, equitable, nor correct.

The complaint form listed an eighth issue:

8. The municipality has failed to account for various elements of physical, economic and/or functional obsolescence.

At the hearing, the CARB heard evidence and argument on the following issues:

- 1. Do the sales comparables show the subject is assessed in excess of its market value?**
- 2. Has the subject been equitably assessed?**

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

Issue 1: Sales comparables

Five sales comparables were presented, selected for similarity to the subject in age, lot size, site coverage and leasable area.

| | Subject | Comparables Range |
|------------------------------|----------|--------------------|
| Lot size sq.ft. | 80,947 | 46,931 – 134,418 |
| Site coverage % | 26 | 24 - 52 |
| Leasable area | 20,772 | 19,851 – 32,356 |
| TASP/sf (subject assessment) | \$126.32 | \$75.52 - \$117.07 |

The Complainant argued that the market evidence indicated \$85 per sq.ft. would be a fair value, resulting in a requested assessment of \$1,765,500.

Issue 2: Assessment equity

Six equity comparables were presented, selected for similarity to the subject in lot size, site coverage and leasable area.

| | Subject | Comparables Range |
|-----------------------|----------|--------------------|
| Lot size sq.ft. | 80,947 | 67,059 – 106,500 |
| Site coverage % | 26 | 24 – 31 |
| Leasable area | 20,772 | 19,199 – 28,611 |
| Assessment per sq.ft. | \$126.32 | \$78.72 - \$127.50 |

The equity comparables showed average and median values of \$100.83 and \$105.38 per sq.ft., and the Complainant suggested a \$105 rate applied to the subject would yield an equitable assessment of \$2,181,000.

POSITION OF THE RESPONDENT

Issue 1: Sales comparables

Six sales were presented.

| | Subject | Comparables Range |
|------------------------------|----------|---------------------|
| Site coverage % | 26 | 19 - 28 |
| Total building area sq. ft. | 20,772 | 10,905 – 34,650 |
| Upper office | 0 | 0 - 338 |
| TASP/sf (subject assessment) | \$126.32 | \$117.08 - \$152.42 |

Issue 2: Equity comparables

Twelve equity comparables were presented.

| | Subject | Comparables Range |
|-----------------------------|----------|---------------------|
| Site coverage % | 26 | 18 - 36 |
| Total building area sq. ft. | 20,772 | 12,200 – 32,354 |
| Upper office | 0 | 0 |
| Assessment per sq.ft. | \$126.32 | \$120.60 - \$175.10 |

DECISION

The CARB reduces the assessment to \$2,326,500.

REASONS FOR THE DECISION

The CARB found that the best sales evidence provided to the Board was one sale common to both presentations, 10439 176 Street. This good quality 32,354 sq.ft. improvement with 24% site coverage sold for \$117.08 per sq.ft., which the CARB determined should set an upper limit for the subject's valuation in consideration of the subject's average quality.

The CARB found the last four equity comparables presented by the Complainant were within a tight range of main floor area, 19,199 – 21,090 sq.ft., very close to the size of the subject, and an average main floor assessment of those comparables yielded a value of \$112.45 per sq.ft. The Board decided a rate of \$112 per sq.ft. would yield an equitable assessment.

Dated this 21st day of December, 2011, at the City of Edmonton, in the Province of Alberta.

John Noonan, 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.