



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 557/11

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 December 1, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
8480410	4704 97 Street NW	Plan: 7721481 Block: 2 Lot: 9	\$6,047,000	Annual New	2011

#### Before:

John Noonan, Presiding Officer  
Taras Luciw, Board Member

**Board Officer:** Jason Morris

#### Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

#### Persons Appearing on behalf of Respondent:

Joel Schmaus, Assessor, City of Edmonton  
Luis Delgado, Assessor, City of Edmonton

## **PROCEDURAL MATTERS**

The third assigned member, Mr. Pointe was unable to attend due to a previous engagement, and the hearing proceeded with a quorum as allowed at *MGA* s 458(2).

## **BACKGROUND**

The subject comprises two industrial buildings of 30,715 and 28,940 sq.ft. built in 1979 on a 135,091 sq.ft. lot on 97 Street in the Papaschase Industrial neighbourhood. The larger building receives a 10% valuation discount, located at the rear of the lot and hidden from 97 Street. The 2011 assessment was prepared by the direct sales comparison model.

## **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**

Seven 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.	135,087	54,465 – 127,229
Site coverage %	44	36 - 54
Leasable area	58,837	30,470 – 72,629
TASP/sf (subject assessment)	\$102.78	\$70.01 - \$124.69

The Complainant argued that the market evidence indicated \$75 per sq.ft. would be a fair value, resulting in a requested assessment of \$4,412,500.

### **Issue 2: Assessment equity**

Seven 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.	135,087	111,622 – 179,865
Site coverage %	44	39 – 50
Leasable area	58,837	44,994 – 71,399
Assessment per sq.ft.	\$102.78	\$74.47 - \$99

The equity comparables showed average and median values of \$83.86 and \$81.12 per sq.ft., and the Complainant argued that an \$80 rate applied to the subject would yield an equitable assessment of \$4,706,500.

## **POSITION OF THE RESPONDENT**

### **Issue 1: Sales comparables**

Five sales were presented, two located on major roads. Two sales were common to the presentations of both parties.

	Subject	Comparables Range
Site coverage %	44	36 - 45

Total building area sq. ft.	59,655	31,701 – 76,233
Upper office	0	0 – 17,330
TASP/sf (subject assessment)	\$101.37	\$109.39 – \$124.68

## **Issue 2: Equity comparables**

Six equity comparables were presented, four located on major roads like the subject.

	Subject	Comparables Range
Site coverage %	44	33 - 44
Total building area sq. ft.	59,655	40,307 – 60,120
Upper office	0	0 – 6,292
Assessment per sq.ft.	\$101.37	\$98.94 - \$109.39

## **DECISION**

The CARB confirms the assessment of \$6,047,000.

## **REASONS FOR THE DECISION**

The Complainant's sales comparables fell into three distinct price-per-sq.ft. subgroups: the low \$70's, low \$90's and approximately \$120. Due to the size of the subject, the Complainant had argued it should fall into the low end of the range, thus the \$75 per sq.ft. request. The Respondent had comments about each of these sales, the most relevant remarks having to do with inferior location of at least four of the seven comparables, and the fact that five of them had substantial amounts of upper floor area while the subject did not. The only comparable that had no upper floor was at 9304 60 Ave., a 40,400 sq.ft. building with superior coverage, six years older than the subject, that sold for \$124.68 per sq.ft.

Of the Respondent's five sales comparables, the CARB especially noted a three building complex at 8204 Coronet Road, two of the buildings having exposure to Argyll Road. This property, with superior coverage and 4000 sq.ft. larger than the subject, sold for \$109.39 per sq.ft.

The CARB found the best equity comparable to be the property at 3707 74 Avenue, close in size to the subject, but an inferior location. The Complainant's information had this property assessed at \$99 per sq.ft., but the Respondent advised of a size discrepancy which if corrected, would yield an assessment per sq.ft. of \$101.45. This is but 8 cents different from the subject's valuation, based on the Respondent's figure of the subject's size.

The CARB is satisfied that the subject is assessed fairly and equitably.

Dated this 21<sup>st</sup> 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: SREIT (WEST NO 1) LTD