



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 558/11

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:
8637506	7925 Argyll Road NW	Plan: 3131KS Block: 2 Lot: 7	\$3,116,000	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:

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 is a 1967-built 29,403 sq.ft. industrial building covering 34% of an 85,791 sq.ft. lot at 7925 Argyll Road. 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 issue:

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

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.	85,788	77,500 – 113,326
Site coverage %	34	35 - 44
Leasable area	29,403	31,701 – 49,997
TASP/sf (subject assessment)	\$105.98	\$72.22 - \$124.69

The Complainant suggested the market evidence indicated \$92.50 per sq.ft. would be a fair value, resulting in a requested assessment of \$2,719,500. The most similar property was at 4130 99 Street, a 1968 building of 35,000 sq.ft. on a 100,000 sq.ft. lot, that sold for \$92.44 per sq.ft. In response to a question about the Network document describing the sale and which noted the property required a partial roof replacement at a cost of \$211,000, the Complainant calculated this would add \$5.76 to the sale price. Still, the Complainant argued \$92.50 for the subject was fair, as it did not have vehicle access from Argyll Road.

POSITION OF THE RESPONDENT

Issue 1: Sales comparables

Five sales were presented, all but one located on major roads. Three sales were common to the presentations of both parties.

	Subject	Comparables Range
Site coverage %	34	34 - 40
Total building area sq. ft.	29,403	27,686 – 39,992
Upper office	0	0 – 7,533
TASP/sf (subject assessment)	\$105.98	\$74.39 – 118.52

Equity comparables

Eleven equity comparables were presented, most located on major or moderate roads, with similar coverage and no mezzanine spaces.

	Subject	Comparables Range
Site coverage %	34	28 - 40
Total building area sq. ft.	29,403	24,996 – 32,530
Upper office	0	0

Assessment per sq.ft.	\$105.98	\$105.40 – 120.65
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DECISION

The CARB reduces the assessment to \$2,910,500.

REASONS FOR THE DECISION

The Complainant noted that four of the five sales presented by the Respondent transacted at lower per sq.ft. values than the subject assessment. The CARB also noted that three of the five comparables were 1978-1979 vintage properties, and a fourth was built in 1975, some 8 years newer than the subject. Three of the comparables also had mezzanine office space, unlike the subject. The CARB found the best sales comparable, advanced by both parties, to be the property at 4130 99 Street, with 35% site coverage and one year newer than the subject. The parties had slightly different sizes for this comparable, 35,258 and 34,967 sq.ft., resulting in different values per sq.ft.: \$92.44 and \$93.21 prior to \$5.76 of required roof repairs. The City's per sq. ft. value of \$93.21, plus \$5.76 yields almost \$99. The CARB finds that \$99 per sq.ft. is a reasonable estimate of the market value of the subject.

The CARB noted two close equity comparables at 9204 27 Ave and 9845 42 Ave. Both of these were assessed at the \$112 per sq.ft. level, had very slightly better site coverage, the major difference being they were ten years newer. The CARB notes that the \$99 per sq.ft. value found by the market evidence is not out of line with the equity examples cited.

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: KOLMAR PROPERTIES LTD.