



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 560/11

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 28, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1542554	10940 MAYFIELD ROAD NW	Plan: 2477KS Block: 4 Lot: 4 and 5	\$3,913,000	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

Persons Appearing on behalf of Respondent:

Stephen Leroux
Marty Carpentier

BACKGROUND

The subject property is an industrial building constructed in 1974 and covering 60% of a rectangular shaped 83,636 sq. ft. lot in the West Sheffield Industrial neighbourhood. The building measures 49,823 sq. ft., all main floor development. The assessment was prepared by a sales comparison model using 3½ years of sales data from January 2007 through June 2010. The 2011 assessment model does not differentiate main floor office or warehouse space, but did find mezzanine office space a value factor while mezzanine storage was not.

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.

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

The complainant presented three sales comparables selected for similarity to the subject in age, location, lot size, site coverage and leasable area.

	Subject	Comparables Range
Lot size sq.ft.	83,636	60,289 – 107,962
Site coverage %	60	46 – 53
Leaseable area sq. ft.	49,823	32,248 – 68,813
TASP/sf (subject assessment)	\$78.54	\$56.24 - \$89.22

The Complainant suggested that on the market evidence, a range of \$56 - \$89 was indicated, and the subject should properly be valued at \$72.50 per sq.ft. which would yield a value of \$3,612,000.

Issue 2: Assessment equity

Four equity comparables were presented, winnowed to three after discovery of an error, selected for similarity to the subject in age, location, lot size, site coverage and leasable area.

	Subject	Comparables Range
Lot size sq.ft.	83,636	89,042 – 118,941
Site coverage %	60	55 – 62
Leaseable area sq. ft.	49,823	52,048 – 65,738
Assessment sq. ft.	\$78.54	\$58.51 - \$76.29

These comparables showed a median assessment of \$71 per sq.ft. and an equitable value of \$72.50 per sq.ft. was determined, yielding a value the same as the market rate indicated, \$3,612,000.

POSITION OF THE RESPONDENT

Issue 1: Sales Comparables

The respondent presented four sales comparables selected for similarity to the subject in age, location, lot size, site coverage and leasable area.

	Subject	Comparables Range
Site coverage %	60	37 – 50
Total building area sq. ft.	49,823	20,296 – 68,815
Office mezz included in area	0	893 – 2,304
TASP/sf (subject assessment)	\$78.54	\$71.62 - \$137.34

Three of four sales comparables are located on a major roadway, as is the subject, and their average time adjusted sales price equals \$97.57 which the Respondent suggested supports the subject's assessment at \$78.54

Issue 2: Assessment equity

The respondent also provided seven equity comparables of properties located in close proximity to the subject:

	Subject	Comparables Range
Site coverage %	60	41 – 55
Total building area sq. ft.	49,823	42,927 – 59,716
Office mezz included in area	0	969 (1 only)
Assessment sq. ft.	\$78.54	\$72.48 - \$79.21

The Respondent showed the range of the comparables as averaging \$75.39 sq. ft. which the Respondent suggested supports the assessment of \$78.54 sq. ft.

DECISION

The CARB reduces the assessment to \$3,612,000.

REASONS FOR THE DECISION

The CARB found fault with the majority of the sales comparables presented by the parties, sometimes for corrections needed to improvement size, required renovations, inferior location, but in virtually all cases, a lack of comparability to the subject's very high site coverage of 60%. The Board turned to the equity comparables presented, and found information from which to draw more supportable conclusions. An average of the seven Respondent equity comparables showed a site coverage of 50% and per sq.ft. value of \$75.39. Although most of these comparables were not on major roads, the Board noted a 52,048 sq.ft. property at 12110 142 Street, about 2200 sq.ft. larger than the subject but with a site coverage of only 55%. This property appeared in the equity comparables of both parties. As that comparable was assessed at \$76.29 per sq.ft., the CARB felt it should define an upper end of value in consideration of the subject's 60% site coverage. A comparable at 16650 111 Avenue, larger than the subject but again with only 55% coverage, and valued at \$71 per sq.ft., convinced the Board that the Complainant's requested assessment of \$72.50 per sq.ft. was equitable.

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: 708214 ALBERTA LTD