



ASSESSMENT REVIEW BOARD

Churchill Building
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Edmonton AB T5J 0G9
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NOTICE OF DECISION NO. 0098 561/11

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:
1533504	15802 111 AVENUE NW	Plan: 5201MC Block: 2 Lot: 6B	\$1,197,500	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 comprises an industrial building constructed in 1970 and covering 33% of a rectangular shaped 25,726 sq. ft. lot in the Sheffield Industrial neighbourhood. The building measures 8,538 sq. ft. 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.

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

The Complainant presented seven 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.	25,726	9,236 – 38,751
Site coverage %	33	27 – 47
Leasable area sq. ft.	8,538	4,320 – 13,502
TASP/sf (subject assessment)	\$140.26	\$84.69 – 149.67

The Complainant suggested that on the market evidence, a range of \$85 - \$150 was indicated, and the subject should properly be valued at \$110 per sq.ft. which would yield a value of \$939,000.

Issue 2: Assessment equity

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

	Subject	Comparables Range
Lot size sq.ft.	25,726	22,819 – 42,410
Site coverage %	33	30 – 32
Leasable area sq. ft.	8,538	6,850 – 14,930
Assessment sq. ft.	\$140.26	\$104.35 – 127.88

These comparables showed a median assessment of \$113 per sq.ft. and an equitable value of \$114 per sq.ft. was determined, or \$973,000.

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 %	33	24 - 41
Total building area sq. ft.	8,538	10,050 – 11, 456
Office mezz included in area	0	0
TASP/sf (subject assessment)	\$140.25	\$129.90 - \$180.19

Each of the sales comparables is located on a major roadway, as is the subject, and their average sales price equals \$155.45 which supports the subject's assessment at \$140.25

Issue 2: Assessment equity

The Respondent provided five equity comparables of properties located in close proximity to the subject:

	Subject	Comparables Range
Site coverage %	33	26 – 28
Total building area sq. ft.	8,538	6,243 – 12,000
Office mezz included in area	0	0
Assessment sq. ft.	\$140.25	\$130.67 - \$145.19

The equity comparables average \$137.22 sq. ft. which supports the assessment of \$140.25 per sq. ft.

DECISION

The CARB confirms the assessment at \$1,197,500.

REASONS FOR THE DECISION

In questioning, it was established that only one of the Complainant's sales comparables was located on a major road, like the subject, and the Network backup sheet describing that sale noted the property was in poor condition. The current income at that property was not a factor in the sale price, with rents reported to be well below market rates. The purchaser planned major upgrades to the building.

The Respondent's four sales comparables were located on major roads, and were supportive of the assessment.

Of the equity comparables presented by the parties, the CARB found the most similar in size to the subject to be the property at 14439 Yellowhead Trail, presented by the Complainant, and assessed at \$104.35 per sq.ft. However, the CARB is informed the Respondent does not value Yellowhead Trail properties as being on a major road in recognition of access issues and market sales evidence. In addition, the Respondent presented an aerial photo of this comparable, captioned with the information a 10% downward adjustment was applied to the assessment of this property due to poor access to the rear loading doors. The photo confirmed this problem. The

Board finds that the equity comparables provided do not demonstrate the subject property is inequitably assessed.

The CARB concluded the subject assessment was fair, and was not convinced the property had been treated inequitably.

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: INLETT INC