



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 565/11

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:
1554187	17426 106 A Avenue NW	Plan: 7621205 Block: 6 Lot: 11	\$1,759,000	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:

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

## **BACKGROUND**

The subject property is a 1977-built warehouse and office building of approximately 18,500 square feet located on a lot of approximately 39,200 square feet at municipal address 17426 106A Avenue NW in the McNamara Industrial neighbourhood of northwest Edmonton. The property was assessed on the direct sales comparable method, and the 2011 assessment is \$1,759,000.

## **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**

Three 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.	39,182	27,771 – 43,479
Site coverage %	45	33 - 56
Leaseable area	18,472	13,663 – 24,198
TASP/sf (subject assessment)	\$95.23	\$76.75 – 103.47

The sales comparables showed average and median values of \$86.54 and \$79.42 per sq.ft. The Complainant suggested that on the market evidence, a rate of \$80 for the subject would be justified, yielding a requested assessment of \$1,447,500.

### **Issue 2: Equity comparables**

Six equity comparables drawn from the area of the subject were identified, with particulars and photos on each sheet. A summary chart was inadvertently missing. The Complainant concluded an equitable value of \$1,634,500 from the comparables.

## **POSITION OF THE RESPONDENT**

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

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

	Subject	Comparables Range
Site coverage %	45	37 – 56
Total building area sq. ft.	18,472	11,172 – 41,554
Office mezz included in area	850	0 - 3225
TASP/sf (subject assessment)	\$95.23	\$90.34 - \$157.98

### **Issue 2: Equity comparables**

Twenty-one equity comparables were presented, from the same McNamara neighbourhood as well as Wilson and West Sheffield Industrial neighbourhoods.

	Subject	Comparables Range
Site coverage %	45	35 – 46
Total building area sq. ft.	18,472	13,154 – 32,622
Office mezz included in area	850	0 - 2274
Assessment per sq.ft.	\$95.23	\$96.64 – \$116.79

## **DECISION**

The CARB confirms the assessment of \$1,759,000.

## **REASONS FOR THE DECISION**

Of the three sales presented by the Complainant, difficulties were found with two which called into question their comparability to the subject. The property at 14215 120 Avenue is described as having no upper office area, contrary to the Network sale backup document. It could be that the 1820 sq.ft. office area is spread over two floors, or that the upper office was simply missed. As well, the City's sale validation form notes the purchaser had leased the property for the previous four years and the lease had an option to purchase at set terms. The comparable at 10646 178 Street is described as having access problems. The third comparable at 12819 144 Street with inferior site coverage supports the subject assessment.

Of the equity comparables presented by the Complainant, the closest in size was the property at 17306 108 Avenue, a 17,349 sq.ft. improvement on a .8 acre lot, assessed at \$92.92 per sq.ft. That comparable as well as numerous others provided by the Respondent showed the Board the subject is equitably assessed.

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

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John Noonan, Presiding Officer

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*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.*

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cc: J .K. MCKENZIE HOLDINGS LTD.