



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 573/11

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 30, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9988183	3103 Parsons Road NW	Plan: 8021961 Block: 4 Lot: 13, 14, 15, 16, and 17	\$9,916,000	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:

Marty Carpentier, 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 79,772 sq.ft. office/warehouse industrial property built in 2001 and covering 28% of a 283,392 sq.ft. site at 6570 Parsons 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:

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

Assessment equity

Five 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.	283,393	179,434 – 355,424
Site coverage %	28	22 - 33
Leasable area	79,772	67,668 – 93,196
Assessment per sq.ft.	\$124.30	\$92.97 - \$125.51

The equity comparables showed average and median values of \$112.26 and \$111.25 per sq.ft., and the Complainant suggested that a \$110 rate applied to the subject would yield an equitable assessment of \$9,916,000.

POSITION OF THE RESPONDENT

Equity comparables

Seven equity comparables were presented.

	Subject	Comparables Range
Site coverage %	28	19 - 40
Total building area sq. ft.	79,772	25 - 44
Upper office	0	0 - 4800
TASP/sf (subject assessment)	\$124.30	\$124 - \$137.91

Two comparables in particular were very close in size and site coverage as compared to the subject: 3904 53 Ave and 3804 53 Ave both had coverage of 31% and had building sizes in the 72,000-74,000 sq.ft. range. They were assessed at \$124.67 and \$127.33 per sq.ft.

In addition, on advice of counsel, six sales comparables were presented in defense of the assessment, all these sales occurring at higher per sq.ft. values than the subject assessment.

DECISION

The CARB confirms the assessment of \$9,916,000.

REASONS FOR THE DECISION

The complaint had been launched on the issue of assessment equity, and consequently the CARB was obliged to consider this point to the exclusion of market indicators of value.

The Respondent's equity comparables suggested the subject was properly assessed, especially those comparables whose total building areas were in excess of 70,000 sq.ft., both of which had inferior (31%) site coverage and whose per sq.ft assessments were a bit higher than the subject. As well, two of the five equity comparables from the Complainant that were closest in size to the subject also supported the assessment, at least at first glance.

The Complainant had noted during presentation of evidence that one comparable at 5710 Roper Road had much the same assessment as the subject, yet had 1½ acres more land. The CARB looked at this situation and discovered that the actual land difference was 1.66 acres in favour of the Roper Road property, yet its assessment was a mere \$69,500 greater than the subject's, and the buildings were only different by 115 sq.ft. in size and one year in age. So, the subject assessment could be considered high in relation to the Roper Road comparable.

However, the Board is not convinced that the subject property is inequitably assessed in comparison to a broad range of similar properties.

Dated this 22nd 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: WIKA INSTRUMENTS LTD.