



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 576/11

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 18, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1615251	12150 160 Street NW	Plan: 7620898 Block: 3 Lot: 11 - 13	\$3,615,000	Annual New	2011

Before:

Robert Mowbrey, Presiding Officer
Dale Doan, Board Member
Lillian Lundgren, Board Member

Board Officer:

Annet Adetunji

Persons Appearing on behalf of Complainant:

Chris Buchanan, Altus Group
Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Will Osborne, Assessor, City of Edmonton

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board advised the parties that the Board had no bias on this file.

BACKGROUND

The subject property is a 36,760 square foot (sf) warehouse located at 12150 160 Street NW in the Hawin Park Estate Industrial subdivision. It has an effective year built of 1979 and is situated on a 130,248sf lot. The site coverage is 28%.

ISSUE:

Is the subject assessment correct and equitable?

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

The Complainant filed this complaint on the basis that the subject \$3,615,000 assessment is incorrect and inequitable. In support of this contention, the Complainant presented five sales comparables that were time adjusted using the City of Edmonton time adjustment factors. The sales comparables have an average time adjusted sale price of \$87.50psf and a median time adjusted sale price of \$80.70psf. The property at 14510 124 Avenue NW sold twice and both of the sales are included in the list of comparables. The Complainant concludes that the direct sales approach indicates a property value of \$3,032,500 or \$82.50psf.

The Complainant also argued that the subject property is not equitably assessed with similar competing properties. In support of this argument, the Complainant presented three equity comparables with an average assessment of \$84.51psf and a median assessment of \$86.79psf which indicates an equitable value of \$86.00psf.

In summary, the Complainant requested the Board to reduce the subject assessment to \$3,032,500 based on the Complainant's sales comparables.

POSITION OF THE RESPONDENT

The Respondent submitted that the subject property is assessed correctly and equitably. The Respondent defended the assessment with eight sales comparables that range in value from \$90.34psf to \$152.42psf. The subject is assessed at \$98.34psf.

The Respondent also presented six equity comparables that range in value from \$99.62psf to \$114.49psf. The Respondent explained that upper office space is normally less valuable than main floor space, and since the subject has no upper office space none of the comparables have upper office space. The Respondent stated that the equity comparables are similar in age, building size and site coverage to the subject and notes that the subject assessment per square foot falls below the range of the comparables.

In summary, the Respondent requested the Board to confirm the subject assessment at \$3,615,000 based on the Respondent's sales and equity comparables.

Rebuttal

The Respondent stated that the Complainant's sales comparables include a property that sold twice and only the most recent sale should be used. The Complainant's sale #2 has upper office space which tends to lower the overall sale price per square foot. As well, the Complainant's equity comparable #3 has an incorrect assessment of \$4,279,500 which should be \$4,680,000 (\$96.25psf).

DECISION

The property assessment is confirmed at \$3,615,000.

REASONS FOR THE DECISION

The Board reviewed the Complainant's evidence and argument and finds that the best indicators of value are sales #1, #3 and #4 because they are similar in age, size and site coverage. In the case of sale #1 located at 14510 124 Avenue NW, it sold in January 2009 for a time adjusted sale price of \$80.70psf. Sale #5 of the same property located at 14510 124 Avenue NW sold in March 2007 for a time adjusted sale price of \$64.24psf and is not as reliable because it required a greater time adjustment factor. Although the time adjustment factor is not an issue in this complaint, the Board prefers to rely upon the most recent transaction.

The Board also reviewed the Respondent's evidence and argument and finds sales #2, #4, #5 and #8 to be similar to the subject and good indicators of value. When the best sales comparables from both parties is considered, the median sale price of these seven sales comparables is \$101.65psf. The Board finds that the market evidence supports the current assessment of \$98.34psf.

The Board finds the Respondent's equity comparables to be the most similar to the subject property in the characteristics that affect value such as location, age, size, site coverage and no upper office finish. The Board finds that the subject property is equitably assessed with similar warehouse properties.

Based on the above findings, the Board confirms the assessment at \$3,615,000.

Dated this 23rd day of December, 2011, at the City of Edmonton, in the Province of Alberta.

Robert Mowbrey, 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: Loblaw Properties West Inc.