



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 577/11

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:
4124061	11620 178 Street NW	Plan: 9020764 Block: 4 Lot: 8	\$9,945,000	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 two building medium warehouse located at 11620 178 Street NW. The subject has an effective year built of 2002 and is comprised of a total building area of 110,685 square feet with 103,260 square feet on the main floor area and 7,425 square feet on the mezzanine. The site coverage of the subject property is 44% and has a property assessment for 2011 of \$9,945,000.

ISSUE(S)

What is the market value of the subject property?

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 assessment of \$9,945,000 is in excess of the market value. In support of this position, the Complainant presented five sales that have been time adjusted using the City of Edmonton's time adjustment schedule from the date of sale to the valuation date. The sales ranged from \$67.46 to \$84.55 time adjusted selling price per square foot of total building area. The Complainant stated that due to the attributes of the subject property such as age, size, location and site coverage, it has been determined that the indicated value of the subject property is \$82.00 per square foot (Exhibit C-1 page 8).

The Complainant presented five equity comparables to the Board detailing age, size, condition, and site coverage (Exhibit C-1 page 9). The Complainant advised the Board and the Respondent to disregard equity comparable #4 (14811 114 Street) as it is a mini warehouse and is not really comparable to the subject. The equity comparables ranged from \$75.11 to \$89.63 assessment per square foot for total leasable building area (Exhibit C-1 page 9). The Complainant advised the Board that based on equity the median assessed value per square foot of the remaining four equity comparables is \$79.84.

Based on the direct sales approach and backed up with equity comparables, the Complainant requested an assessment value of \$8,633,000.

POSITION OF THE RESPONDENT

The Respondent advised the Board regarding the mass appraisal process that the City of Edmonton uses for their warehouse inventory. The Respondent utilizes the direct sales methodology and sales occurring from January 2007 through June 2010 were used in the model development and testing.

Sales were validated by conducting site inspections and interviews, and by reviewing title transfers, sales validation questionnaires, and four data collection sources.

Factors found to affect value in the warehouse inventory were: the location of the property, the size of the lot, the age and condition of the building, the total area of the main floor, developed second floor and mezzanine area.

The most common unit of comparison for industrial purposes is value per square foot of building area. When comparing properties on this basis, it is imperative that the site coverage be a key factor in the comparison.

The Respondent presented five sales comparables to the Board detailing comparables similar in terms of age, site coverage, condition and total building area (Exhibit R-1 page 21). The comparable sales ranged from a time adjusted selling price per total building square foot of \$81.27 to \$147.66 per square foot, which supports the assessment of \$89.85 per square foot.

The Respondent presented nine equity comparables to the Board. The comparables ranged from \$93.03 to \$113.44 assessment per square foot, which supports the subject assessment per square foot of \$95.52.

The Respondent presented twelve equity comparables similar to the subject property in terms of age, site coverage, condition total building area (Exhibit R-1 page 27). The equity comparables range from a low of \$89.63 to a high of \$110.31 assessment per square foot of total building area. The assessment per square foot of the subject property is \$89.85.

DECISION

The decision of the Board is to confirm the 2011 property assessment at \$9,945,000 as being fair and equitable.

REASONS FOR THE DECISION

The Board was persuaded by the Respondent's equity comparables. The Board notes that equity comparables #7(17904 105 Avenue) and #8(10640 184 Street) both have two buildings, the same as the subject property. Both of the two building comparables support the assessment of \$89.85 per square foot of total building area.

The Board notes that the Complainant's equity #3 (18603 111 Avenue) was also used by the Respondent and the \$89.63 assessment per square foot of total building area supports the assessment of \$89.85 per square foot.

The Board was persuaded by the Respondent's sales comparables and utilized the first three sales comparables along with three of the Complainant's sales comparables. One comparable was common to both parties and only used once. The Board selected those sales comparables that were located in the Western quadrant and put little or no weight on the sales of both parties that were located on the Southside.

1 17404 111 Avenue	Respondent	\$147.66 TASP/sf of total area
2 10203 184 Street	Respondent and Complainant	\$ 84.55 TASP/sf of total area
3 18507 104 Avenue	Respondent	\$125.32 TASP/ sf of total area
4 12810 170 Street	Complainant	\$ 69.41 TASP/ sf of total area
5 15423 131 Avenue	Complainant	\$ 75.11 TASP/ sf of total area

The median of the five Western quadrant comparable sales was \$100.42 time adjusted selling price per square foot of total area. This supports the subject's property assessment of \$89.85 psf of total area.

The Board is satisfied that the Complainant did not provide sufficient and compelling evidence to form an opinion as to the incorrectness of the assessment.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

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: 895102 Alberta Ltd.