



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 580/11

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:
4071130	10430 178 Street NW	Plan: 8920482 Block: 20	\$10,093,500	Annual New	2011

#### Before:

John Noonan, Presiding Officer  
Reg Pointe, Board Member  
Taras Luciw, Board Member

**Board Officer:** Jason Morris

#### Persons Appearing on behalf of Complainant:

Chris Buchanan, Altus Group

#### Persons Appearing on behalf of Respondent:

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

## **BACKGROUND**

The subject property is a lot of approximately 584,000 square feet at municipal address 10430 178 Street NW, in the Morin Industrial neighbourhood of northwest Edmonton. The property includes five structures. The first is a warehouse and office building built in 1979 with approximately 58,334 square feet in total building area including 39,200 square feet of warehouse on the main floor. The building also has approximately 6,200 square feet of finished mezzanine area. The second building is a small warehouse of approximately 4,970 square feet built in 1980. The third building is a small warehouse of approximately 2,400 square feet built in 1992. The fourth building is a security booth of less than 300 square feet. The fifth is a small office of approximately 1000 square feet. The two smallest improvements were assessed on the cost basis, the larger buildings by the direct sales comparison method. The 2011 assessment for the subject property is \$10,093,500.

## **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.

At the hearing, the CARB heard evidence and argument on the following issue:

- 1. Do the sales comparables show the subject is assessed in excess of its market value?**

## **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 presented five 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.	583,961	119,372 – 276,733
Site coverage %	10	10 - 20
Leasable area	66,987	22,938 – 52,761
TASP/sf (subject assessment)	\$150.68	\$80.02 - \$176.06

These comparables provided average and median values of approximately \$118 and \$112. It was argued by the Complainant that the subject should command \$128 per sq.ft. and on that basis the assessment should be \$8,574,000.

### **POSITION OF THE RESPONDENT**

The Respondent presented seven sales comparables selected for similarity to the subject in age, location, lot size, site coverage and leasable area. Three of the sales were selected to show similarity to the 4970 sq.ft. shop and four sales of three properties showing similarity to the main building.

	Subject	Comparables Range
Site coverage %	10	7 – 12
Total building area sq. ft.	4970	4,618 – 5,802
Office mezz included in area	0	0
TASP/sf (subject assessment)		\$176.53 - \$269.93

	Subject	Comparables Range
Site coverage %	10	10 – 20
Total building area sq. ft.	65,709	22,938 – 34,650
Office mezz included in area	6217	0 – 570
TASP/sf (subject assessment)	\$153.61	\$132.15 - \$223.97

### **DECISION**

The CARB confirms the assessment of \$10,093,500.

## **REASONS FOR THE DECISION**

Again, the CARB notes the seemingly high dollar per sq.ft. assessment of building area, the number bloated by the value of a large lot, in this case 13.4 acres. While two buildings are assessed at \$1000 each, the land value is squeezed or compressed into the main 58,334 sq.ft. office/warehouse, the 4970 sq.ft. shop and a 2404 sq.ft. warehouse.

The CARB has found that the correct building area couldn't be determined on the available information for the Complainant's comparable property at 12802 156 Street with ten buildings onsite. The Board has little confidence that the calculated rate of \$80.02 per sq.ft. excludes the areas associated with storage sheds

The sale at 12815 170 Street was also shown twice by the Respondent, and the Complainant's noted price of \$176.06 is the highest in his array, only slightly different than the Respondent's report of \$178.83 per sq.ft. This property is about 1/3 the size of the subject and is located next to a landfill. It is not a good comparable. The fourth sale from the Complainant has 1/3 the improvement size on 1/5 the land compared to the subject, and the fifth sale has 1/2 the improvement on 1/4 the land. Due to these size differences, the CARB discounted these properties as good comparables to the subject.

The CARB recognizes that sales cannot be manufactured out of thin air for the convenience of all, and that what is presented is what is available. However, the disparate characteristics of the comparables presented leaves the Board at a loss to definitively conclude the subject is over or under-assessed. As such, the Complainant has not met onus to demonstrate that the assessment of the subject property is not fair and equitable, and the Board confirms the assessment.

Dated this 22<sup>nd</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: FI PORTFOLIO INC