



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 581/11

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:
8630253	6035 97 Street NW	Plan: 6123HW Block: 1 Lot: A	\$3,690,000	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:

Walid Melhem, Altus Group

#### Persons Appearing on behalf of Respondent:

Susen Douglass, Assessor, City of Edmonton

## **BACKGROUND**

The subject comprises two industrial buildings built in 1968 on a 96,233 sq.ft. lot at 6035 97 Street in the Coronet Industrial area. The buildings are 13,990 and 13,001 sq.ft., for a total of 26,991 sq.ft., all main floor development and covering 28% of the lot. The 2011 assessment was prepared by the direct sales comparison approach.

## **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 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**

Five 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.	96,229	53,175 – 137,670
Site coverage %	28	22 – 35
Leasable area	26,991	15,318 – 34,966
TASP/sf (subject assessment)	\$136.71	\$93.21 - \$130.38

The Complainant argued that the market evidence indicated \$119 per sq.ft. would be a fair value, resulting in a requested assessment of \$3,211,500.

### **Issue 2: Assessment equity**

Seven 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.	96,229	62,323 – 105,948
Site coverage %	28	28 – 34
Leasable area	26,991	20,554 – 33,039
Assessment per sq.ft.	\$136.71	\$105.98 - \$115.83

The equity comparables showed average and median values of \$112.77 and \$113.66 per sq.ft., and the Complainant argued a \$114 rate applied to the subject would yield an equitable assessment of \$3,076,500.

## **POSITION OF THE RESPONDENT**

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

Eight sales were presented.

	Subject	Comparables Range
Site coverage %	28	19 – 40
Total building area sq. ft.	26,990	11,239 – 31,701
Upper office	0	0 – 3832
TASP/sf (subject assessment)	\$136.71	\$112.43 - \$144.20

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

Through oversight, that part of the documentary evidence dealing with the equity issue was missing.

## **DECISION**

The CARB reduces the assessment to \$3,211,500.

## **REASONS FOR THE DECISION**

The Respondent's sales comparables were predominantly in the 11,000 to 14,000 sq.ft. range, showing comparability to the value of each building onsite, as opposed to the total building area. The Complainant's comparables were mostly larger properties, presented to show comparability to the total of almost 27,000 sq.ft. of leasable area. The parties presented their views of the relative values of multi-building properties. The Board made some general comments on the topic of dealing with multi-building properties in the decision for roll 1523315. Here, the Board was influenced by the age of the buildings, constructed in 1968, and their location which on this part of 97 Street was described as a connector road, not as busy as 99 Street, 91 Street, 51 Avenue or Argyll Road. These considerations prompted the Board to view the property as less valuable than suggested by the assessment.

The Board noted two equity comparables presented by the Complainant: 9845 42 Ave and 8605 63 Ave. The first has a lot identical to the subject in size at 96,229 sq.ft. and an improvement some 5200 sq.ft. larger. It was assessed at \$112.58 per sq.ft. The second has a slightly smaller lot, 92,788 sq.ft. and an improvement size of 26,077 sq.ft., very close to the subject's 26,991 sq.ft. It carries an assessment of \$113.66 per sq.ft. The Board was inclined to accept the notion that two separate buildings at this location on 97 Street might be worth more than a single building, but not to the extent the current assessment claims. There might well be in a tenant's view some prestige in having an entire building to itself, and might be prepared to pay somewhat higher than typical rent for the privilege. The Board, and no doubt the parties as well, eagerly await solid market evidence in support or denial of the hypothesis. In the meantime, the CARB accepts the value estimate of \$119 per sq.ft. associated with the larger sales comparables presented by the Complainant.

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: BARAMY INVESTMENTS LTD.