



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 606/11

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 23, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1075092		NE 36-52-24-4	\$15,336,000	Annual New	2011

Before:

Warren Garten, Presiding Officer
Brian Carbol, Board Member
Mary Sheldon, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Walid Melhem

Persons Appearing on behalf of Respondent:

Shelly Milligan, Assessor, City of Edmonton

PRELIMINARY MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board Members indicated no bias with respect to this file.

No other preliminary matters were brought forward before the Board

BACKGROUND

The subject property is a “manufacturing plants - other” located in the Eastgate Business Park subdivision of the City of Edmonton with a property location located at NE 36 52 24 4. The property has a building area of 169,149 square feet on a site area of 1,143,989 square feet. The land is currently zoned IH and has full municipal servicing.

ISSUE(S)

The main merit issue before the board is market value of the land (only) using the Direct Sales Comparison Approach to Value of the subject parcel totaling 1,143,989 Square Feet.

LEGISLATION

Municipal Government Act, RSA 2000, c M-26

s. 1(1)(n) ‘market value’ means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer.

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, using the Land Value Direct Sales Comparison Approach, presented five sales of large industrial zoned properties in southeast Edmonton (C-1, p.22).
- The Complainant argued that the subject property includes an unusable portion constituting approximately 25% of the total land that should be subject to a reduction in assessment.
- The Complainant indicated that five of the sales of properties used as comparables were valued lower than the current assessment of the subject property.

- The Complainant requested a revised assessment for the land portion of the subject property of \$5.00 per square foot for a total requested assessment of \$8,737,500 (C-1, p. 22).

COMPLAINANT'S REBUTTAL

- The Complainant further argued that two of the five comparables that were presented by the Respondent had incorrect data, and that the comparables used by the Respondent are superior in location and generally smaller in size than the subject property, which is in a peripheral location and larger (C-2, p. 2)

POSITION OF THE RESPONDENT

- In support of its position that the current assessment of the subject was fair and equitable, the Respondent presented to the Board five sales of land parcels comparable to the land portion of the subject (R-1, page 40). However, the Respondent later pointed out that comparable sale #4 was a duplicate of comparable sale #3 and asked the Board to delete comparable #4.
- The Respondent argued that these comparables were large, serviced parcels similar to the subject although they were located in different areas of Edmonton.
- The median of the time adjusted sale prices per square foot of these comparables was \$10.73 and the Respondent submitted to the Board that this supported the assessment of the land portion of the subject at \$10.77 per square foot.
- During questioning, the Respondent noted for the Board that a land market adjustment had been applied to the subject's assessment (R-1, page 22). However, the Respondent could not advise the Board whether this was on account of the size of the subject parcel or on account of the ravine that extends through the subject. The Respondent was also unable to confirm the amount of this land market adjustment.
- The Respondent argued that the evidence showed that the current assessment of the subject was fair and equitable and requested that the Board confirm the assessment of the subject at \$15,336,000.

DECISION

The Board's decision is to reduce the current assessment to \$14,721,000 based on a land value of \$10.23 per square foot.

REASONS FOR THE DECISION

In reaching its decision, the Board considered all argument and evidence.

The Complainant's request for consideration of a reduced assessment due to the ravine on the site could not be considered. There was evidence that the City Land Market Adjustment stated on page 22 of R-1 had already taken this into account and no evidence to the contrary was provided.

The Board found that that the Complainant's comparable numbers 1, 2 and 3 all had rural servicing and could not be considered as appropriate comparables. As a result, the Board placed the most weight on the Complainant's sales comparable numbers 4 and 5 in addition to the Respondent's evidence.

The Respondent presented a total of five comparables of which number 4 was considered a duplicate and withdrawn. Comparable number 1 was not considered by the Board as the size of the site was less than half the size of the subject. The Board placed the most weight on the Respondent's sales comparable numbers 2, 3 and 5.

The Board considered the Complainants number 4 and 5 along with the Respondent's number 2, 3 and 5. The Board found the average time adjusted selling price of these five sales to be \$9.87 per square foot with a median selling price of \$10.23.

The Board placed the most weight on the median price of \$10.23 which reduces the land component of the assessment to \$11,703,007 from the initial assessment of \$12,318,694.

DISSENTING OPINION AND REASONS

There were no dissenting opinions regarding this decision.

Dated this 14th day of December, 2011, at the City of Edmonton, in the Province of Alberta.

Warren Garten, 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: Building Products of Canada Corp.