



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 704/11

Altus Group Ltd  
17327 - 106A Avenue NW  
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 January 19, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
8633638	9204 58 Avenue NW	Plan: 3800KS Block: 6 Lot: 11	\$1,673,000	Annual New	2011

#### Before:

Steven Kashuba, Presiding Officer  
Mary Sheldon, Board Member  
Ron Funnell, Board Member

#### Board Officer:

Annet Adetunji

#### Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group Ltd

#### Persons Appearing on behalf of Respondent:

Susen Douglass, Assessor, City of Edmonton

## **PRELIMINARY MATTERS**

1. Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.
2. The parties indicated to the Board that submissions, evidence and argument where applicable would be carried over from file # 8633653.

## **BACKGROUND**

3. The subject is a medium warehouse built in 1969 and located in the Coronet Industrial subdivision in the City of Edmonton. The building area is 10,578 square feet and it has a site coverage of 30%. There are two buildings on site. The current assessment of the subject property is \$1,673,000.

## **ISSUE(S)**

4. The Complainant had attached a schedule of issues to the Complaint Form. However, at the hearing all issues had been abandoned except for the following:
  - 4.1 Is the assessment of the subject property fair and equitable when considering the sales of comparable properties?
  - 4.2 Is the assessment of the subject property fair and equitable when considering the assessments of comparable properties?

## **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**

5. In support of its position that sales of comparable properties showed the assessment of the subject is not fair and equitable, the Complainant presented a chart of five sales of comparable properties (Exhibit C-1, page 8). The Complainant noted that all these comparables were located in the south east area of Edmonton and were interior locations, similar to the subject. All the sales comparables had one building on site. The range of time adjusted sales prices per square foot of main floor space range from \$73.88 to \$157.98.
6. The Complainant submitted to the Board that this evidence showed that an assessment per square foot of \$120 for the subject would be fair and equitable, leading to an assessment of \$1,269,000 for the subject property.
7. The Complainant also presented a chart of the assessments of comparable properties in support of their position that the current assessment of the subject was too high. These ten assessment comparables (Exhibit C-1, page 9) showed a range of assessments per square foot of main floor space between \$125.58 and \$148.41 whereas the subject was assessed at \$158.16 per square foot. The Complainant submitted that this evidence demonstrated that an assessment per square foot of \$135 for the subject would be fair and that the total assessment would then be \$1,428,000.
8. The Complainant submitted to the Board that the method used by the City of Edmonton for assessing properties with multiple buildings on site was flawed and that a purchaser considering a purchase of a site would evaluate the site as a whole and not assign a value to each building. They indicated that the City of Edmonton assigned a value for each building on a multi-building site and that this inflated the assessment. In support of this argument, the Complainant presented a rebuttal package (Exhibit C-2) which contained examples of assessments of sites containing multiple buildings located on a single titled parcel as being higher than assessments of comparable sites containing only one building.
9. The Complainant requested that the Board reduce the assessment of the subject to \$1,269,000.

## **POSITION OF THE RESPONDENT**

10. The Respondent presented to the Board a chart of sales of four comparable properties in support of its argument that the current assessment of the subject ought to be confirmed (Exhibit R-1, page 18). The time adjusted sales prices per square foot of total area of these sales ranged from \$153.65 to \$167.92 and the subject was assessed at \$158.16 per square foot.
11. In support of its argument that the assessments of comparable properties supported the assessment of the subject, the Respondent provided a chart of the assessments of eleven comparable properties (Exhibit R-1, page 19). In this regard it should be noted that the subject is comparable #5. This left the assessments of ten comparable properties to be considered. The range of assessments per square foot is from \$150.57 to \$183.47 and the Respondent argued that this evidence supported the assessment of the subject at \$158.16.

12. The Respondent requested that the Board confirm the current assessment of the subject property at \$1,673,000.

## **DECISION**

13. It is the decision of the Board to reduce the assessment of the subject property for 2011 from \$1,673,000 to \$1,428,000

## **REASONS FOR THE DECISION**

14. The Board accepts the Complainant's argument that the subject property should be viewed as a whole and compared with other properties of similar size which appear on a single assessment roll. The Complainant argued further that the model used by the City of Edmonton in calculating the value of multi-building parcels on a single assessment roll resulted in an inflated value. The Board recognizes that multiple buildings on a site on one assessment roll might have vast differences in size and condition. However, in the opinion of the Board, it should be recognized that if the multi-building parcel is on one title, a purchaser would look to a value of the parcel as a whole and thus the value should reflect the market value of similar properties. .
15. The Board first looked at the evidence of the sales data presented by the parties. With respect to the market and sales data presented by the Complainant, the Board finds several flaws. Sales comparable #1 is a post facto sale. As well, the time-adjusted price per square foot of that comparable is half the unit price of the remaining comparables and the Complainant was unable to explain this anomaly. The data presented for sales comparable #2 supports the assessment. Sales comparable #3 is a sale-leaseback situation which would likely impact the purchase price. This leaves sales comparables #4 and #5, both of which are older than the subject and have different site coverage, site area and office space.
16. With respect to the sales comparables presented by the Respondent, all the sales were assessed lower than the subject on a time-adjusted sale price per square foot of total area basis except for #2. This sales comparable is ten years newer than the subject thereby bringing into question its comparability.
17. Having found the evidence provided by the parties with respect to the sales and market data unconvincing, the Board turned to the assessment comparables presented by the parties. The Complainant presented ten equity comparables which showed an average and medium value of approximately \$136 per square foot. The Board noted that equity comparables #6 and #7 were very similar to the subject in terms of age , site coverage, size and office space and that the assessments per square foot of those comparables is \$130.02 and \$138.05 respectively. The Board is of the opinion that the Complainant's

request for a value of \$135 per square foot for the subject would be fair and equitable and would bring it into line with the assessments of these comparables.

18. In contrast, the Board is of the opinion that the majority of the equity comparables presented by the Respondent are all newer than the subject and some have significant finished mezzanine and upper floor space. This observation does diminish the element of comparability. As well, comparables #1 and #2, both somewhat newer than the subject, are both assessed at a lower rate than is the subject.

19. The Board concludes that most weight should be placed on the equity comparables presented by the Complainant and in particular upon equity comparables #6 and #7. As a result, the Board's opinion is that the Complainant's request for an assessment for the subject at \$135 per square foot or \$1,428,000 in total based on the Complainant's assessment comparables is fair and reasonable.

### **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 31st day of January, 2012, at the City of Edmonton, in the Province of Alberta.

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Steven Kashuba, 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: IND COM HOLDINGS LTD