



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 715/11

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 23, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
3431731	9 Airport Road NW	Plan: 5328MC Block: 15C Lot: 5 / 6	\$1,360,500	Annual New	2011

Before:

Steven Kashuba, Presiding Officer
James Wall, Board Member
Petra Hagemann, Board Member

Board Officer: Tannis Lewis

Persons Appearing on behalf of Complainant:

Chris Buchanan, Senior Consultant, Altus Group

Persons Appearing on behalf of Respondent:

Melissa Zayac, Assessor, City of Edmonton
Stephen Leroux, Assessor, City of Edmonton

PRELIMINARY MATTERS

1. No preliminary matters were raised.

BACKGROUND

2. The subject property is a single story, multi-bay medium warehouse with a gross floor area of 14,180 square feet. The property is located in the Edmonton Municipal Airport neighborhood, northwest of the downtown core of the city. The building improvement was constructed in 1968 and occupies 45% of the site. The current assessment is \$1,360,500.

ISSUE

3. Is the 2011 assessment of the subject property 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

4. The Complainant submitted to the Board that the subject property's 2011 assessment is approximately 20% higher than its market value as at July 1, 2010, the valuation date.
5. The Complainant provided the Board with an assessment brief (Exhibit C-1) in support of their position. The brief included three sales comparables (Exhibit C-1, page 8) which indicated time adjusted sales prices of \$79.42 per square foot, \$84.90 per square foot and \$103.47 per square foot respectively.
6. The sales comparables submitted were all located in the northwest quadrant of the city, the same as the subject, and ranged in improvement size (gross floor area) from 15,483 square feet to 24,774 square feet exhibiting site coverage of 33%, 50% and 56% respectively. The subject has a main floor area of 14,180 square feet and site coverage of 45%.
7. The sales comparables submitted by the Complainant indicate a time adjusted sale price median of \$79.42 per square foot and a mean average of \$86.54 per square foot as applied to the gross floor area of the improvement. This compares to the subject improvement's 2011 assessment on the same basis of \$95.94 per square foot. All sales took place in 2008 and the complainant applied the same time adjustments as the city used for this type of property.

8. The Complainant outlined judicial and/or tribunal decisions in support of the Complainant's right **not to be assessed** in excess of actual value. In addition information was given to the Board pertaining to the Burden of Proof shifting to the Respondent if the Complainant provides sufficient evidence.
9. Sections of both the *Municipal Government Act* and *Matters Relating to Assessment and Taxation Regulation* were put forward to the Board and were expanded upon by the Complainant.
10. The Complainant suggested to the Board that the sales evidence he had provided should be more than adequate to shift the onus to the Respondent and requested a reduction in the 2011 assessment from \$1,360,500 to \$1,134,000.

POSITION OF THE RESPONDENT

11. The Respondent provided the Board with an assessment brief (Exhibit R-1) and requested that a 42 page Law and Legislation brief from a prior merit hearing on roll number 6066518 (Exhibit R-2) be carried forward into the current hearing.
12. The assessment brief contained Mass Appraisal Methodology, maps, and photographs of the subject property, assessment detail reports on the subject property, and the Complainant's sales comparable number one. In addition, sales and equity comparables and sales datasheets were provided.
13. The Respondent's sales comparables consisted of six improved medium industrial properties (Exhibit R-1, page 18) which indicated time adjusted sale prices per square foot ranging from \$87.24 to \$139.44. Sales properties one, two, four and six were located in the northeast quadrant of the city while sales three and five were located in the northwest quadrant.
14. The Respondent's time-adjusted sales comparables reflected an average of \$107.10 per square foot in contrast to the assessment value of \$95.95 per square foot.
15. In addition, the Respondent provided the Board with 5 equity comparables (Exhibit R-1, page 25).
16. The Respondent indicated to the Board that their sales comparable number three (Exhibit R-1, page 21) represents the same property as the Complainant's sales comparable number three (Exhibit C-1, page 19) and both agreed on a time adjusted sale price of \$103.47 per square foot for this property.
17. The Respondent provided the Board with evidence (Exhibit R-1, page 27) which showed the Complainant had erred in the stated size and subsequent time adjusted sale price of the Complainant's sale number two. The Respondent indicated that the time adjusted sale price should have been \$80.38 per square foot rather than \$84.90 per square foot as reported.
18. In cross-examination, the Respondent questioned the sale date of the Complainant's sales comparable number one (Exhibit C-1, page 13) and suggested it represented a dated sale as a result of a prior option being signed.

19. The Respondent requested that the Board confirm the subject property's 2011 assessment at \$1,360,500 on the basis of the evidence and argument presented.

DECISION

20. **It is the decision of the Board to confirm the 2011 assessment of the subject property at \$1,360,500.**

REASONS FOR THE DECISION

21. The Board finds that the Complainant's sales comparable number one had sold by option and agrees with the Respondent that the sale price does not represent a reliable indication of market value for the subject property.
22. The Board finds the Complainant's sales comparable number two was larger than the complainant stated and its time adjusted sale price was \$80.38 per square foot instead of \$84.90 per square foot. The Board noted that the Complainant's comparable sale number two was inferior in location to the subject. The Complainant's remaining sales comparable number three at a time adjusted sale price of \$103.47 per square foot is supportive of the subject property's assessment at \$95.94 per square foot.
23. The Board accepts the Respondent's argument that their sales comparables one, two and six (Exhibit R-1, page 18) with time adjusted sale prices of \$91.40, \$87.24 and \$91.12 per square foot respectively, require upward adjustments to reflect their inferior locations in the northeast quadrant of the city compared to the subject's central Northwest location. The Respondent's sales comparable number four is considered superior to the subject as it has exposure to a major roadway (Yellowhead Trail).
24. The Board finds that the Respondent's six sales comparables more than support the 2011 assessment of the subject property when required adjustments are applied.
25. Jurisprudence has established that the onus of showing an assessment is incorrect rests with the Complainant. The Board finds that the Complainant did not provide sufficient and compelling evidence to justify altering the 2011 assessment.

DISSENTING OPINION AND REASONS

26. There is no dissenting opinion.

Dated this 1st day of February, 2012, at the City of Edmonton, in the Province of Alberta.

Steven Kashuba, 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: J.K. MCKENZIE HOLDINGS LTD.