



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 719/11

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 18, 2012, respecting a complaint for:

| Roll Number | Municipal Address | Legal Description | Assessed Value | Assessment Type | Assessment Notice for: |
|-------------|---------------------|-----------------------------------|----------------|-----------------|------------------------|
| 8978314 | 9425 - 35 Avenue NW | Plan: 7821552 Block: 21 Lot: 3 | \$1,906,000 | Annual New | 2011 |

Before:

Steven Kashuba, Presiding Officer
Judy Shewchuk, 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:

Mary-Alice Nagy, Assessor, City of Edmonton
Michael Johnson, Assessor, City of Edmonton

PRELIMINARY MATTERS

1. At the request of the Respondent, the witnesses were administered oaths or affirmations.
2. 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.

BACKGROUND

3. The subject property is a single building warehouse built in 1999 with 6,000 square feet of main floor space, and a total of 7,800 square feet of leasable space. Located in the Strathcona Industrial Park in the southeast quadrant of the city, the property has an IB Zoning, a site coverage is 8%, on a lot consisting of 1.6 acres, or 71,472 square feet. The current assessment is \$1,906,000.

ISSUE(S)

4. The Complainant had attached a schedule of issues to the Complaint Form. However, at the time of the hearing, the majority of those issues were abandoned and the only issues remaining to be decided by the Board were 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. The Complainant presented five sales comparables (Exhibit C-1, page 8) with time adjusted sale prices ranging from \$170.01 to \$304.94 per square foot and an average of \$217.31 per square foot for the total leasable area. Based on the sales comparables the Complainant submitted that the assessment of the subject property should be reduced from \$317.67 to \$250.00 per square foot for a total assessment of \$1,500,000.

6. The Complainant also presented eight equity comparables (Exhibit C-1, page 9) with assessments ranging from \$230.26 to \$315.19 per square foot and an average of \$264.71 per square foot for the total leasable area. Based on the equity comparables, the Complainant submitted that the assessment of the subject property should be reduced from \$317.67 to \$260.00 per square foot for a total assessment of \$1,560,000.
7. Taking into consideration both sales and equity comparables, the Complainant requested that the assessment of the subject be reduced to \$1,500,000.
8. As for the sale of the subject property which occurred in January of 2008, the Complainant submitted that the sale was a *motivated purchase* with an artificially high selling price, and therefore could not be used to reflect its current market value.

POSITION OF THE RESPONDENT

9. The Respondent presented three sales comparables (Exhibit R-1, page 18) with time adjusted sale prices ranging from \$284.74 to \$408.92 per square foot for the total area of the building, including the January 2008 sale of the subject property at \$408.92 per square foot.
10. The Respondent also presented four equity comparables (Exhibit R-1, page 23) with assessments ranging from \$304.67 to \$344.44 per square foot for the total area of the building compared with the assessment of the subject at \$317.67 per square foot. Three of the equity comparables were used in common by both the Respondent and the Complainant.
11. The Respondent argued that each of the Complainant's sales comparables were not comparable for reasons such as higher site coverage, rural servicing, and one being a sale that occurred at *non-arms length*.
12. In addition, the Respondent argued that three of their four equity comparables (#1, 2, and 3) support the assessment.
13. As well, three of the Complainant's eight equity comparables (#5, 6, and 8) support the assessment of the subject. Two of the Complainant's equity comparables (#1, and 2) have two buildings on the property, while the subject has only one. Further, the Complainant's equity comparable #3 has a greater site coverage than does the subject, and the Complainant's equity comparable #7 is situated in an inferior location to that of the subject. It is for these reasons that little weight can be placed upon the Complainant's equity comparables.
14. The Respondent asked that the Board to confirm the 2011 assessment at \$1,906,000, which translates to \$317.67 per square foot of total leasable area.

DECISION

- 15. It is the decision of the Board to confirm the assessment of the subject property for 2011 at \$1,906,000.**

REASONS FOR THE DECISION

16. The Board places little weight upon the Complainant's sales comparables in that three of them have a higher site coverage, one has rural servicing, and one sale is characterized as having occurred at *non-arms length*.
17. As for the Respondent's sales comparables, the Board finds that these occurred in two different quadrants of the City, and one reflects a much older effective year built. As a result, the Board places little weight upon these sales comparables.
18. However, the Board does place considerable weight upon the sale of the subject property which occurred in 2008 and which supports the current assessment.
19. As for the equity comparables, the Board finds that the Respondent's equity comparables and three out of eight Complainant's equity comparables do support the assessment of the subject.

DISSENTING OPINION AND REASONS

There is no dissenting opinion.

Dated this 2nd 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: WHEATON INVESTMENTS LTD