



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 733/11

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 January 13, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
3127826	6910 34 STREET NW	Plan: 8622745 Block: 13 Lot: 14	\$6,110,500	Annual New	2011

Before:

Don Marchand, Presiding Officer
Brian Carbol, Board Member
Mary Sheldon, Board Member

Board Officer: Karin Lauderdale

Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Marty Carpentier, Assessor, City of Edmonton

PRELIMINARY MATTERS

The hearing proceeded with the Respondent making an oath and with the Complainant affirming to tell the truth. No objection was raised as to the composition of the CARB panel. In addition, the Board members indicated no bias with respect to this file.

The CARB was advised by the Complainant that the only common issue that applies to the subject complaint is the one itemized as:

4. the assessment of the subject property is in excess of its market value for assessment purposes

and that the remaining common issues itemized as numbers 1-3 and 5-9 shown on the SCHEDULE OF ISSUES (C-1, pg 3) page will not be argued.

PROPERTY DESCRIPTION and BACKGROUND

- The subject property is a large warehouse constructed in 1983 located at 6903- 34 Street in the Pylypow Industrial Subdivision in the City of Edmonton. The building on the site has a gross area of 65,564 square feet. The site coverage for this building is 33%. The 2011 assessment is \$6,110,500.
- Both parties provided sales data within the evaluation period that were time-adjusted.
- City of Edmonton time adjustment sales chart was used by both parties to establish a TASP and there was no dispute on this issue from either party.
- The Direct Sales Comparison Approach is the valuation approach used by the Parties to argue against and support of the assessment.

The above background and property description facts were all agreed to by the Parties.

ISSUE(S)

Is the 2011 assessment of the subject property at \$6,110,500 correct?

LEGISLATION

The CARB in its deliberations gave consideration to the:

Municipal Government Act, RSA 2000, c M-26

1(1) *In this Act,*

- (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;*

289(2) *Each assessment must reflect*

- (a) *the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and*
(b) *the valuation and other standards set out in the regulations for that property.*

- 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.*
- (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.*

Matters Relating to Assessment and Taxation Regulation (AR 220/2004)

- 2.** *An assessment of property based on market value*
- (a) must be prepared using mass appraisal,*
 - (b) must be an estimate of the value of the fee simple estate in the property, and*
 - (c) must reflect typical market conditions for properties similar to that property*

POSITION OF THE COMPLAINANT

To support his request, the Complainant presented to the Board a chart of three comparable sales, which are shown below:

Comp	Address	Sale Date	Sale Price	Year Built	Site Coverage	Building Size LBA (SF)	TASP	TASP/SF LBA
1	9333 49 Street NW	Feb 26 2009	\$3,800,000	1977	44%	49,999	\$3, 610,760	\$72.22
2	3703 98 Street NW	Mar 28 2008	\$3,065,000	1978	27%	43,290	\$3,081,858	\$71.19
3*	9304 60 Avenue NW	Jun 4 2007	\$4, 500,000	1973	36%	40,400	\$5,037,300	\$124.69
						2011 Assessment		Asmt/SF
Subj.	6910 34 Street NW			1983	33%	65,464	\$6, 110, 500	\$93.20
						Requested Rate		\$75.00

*common to both parties

Based on the above information the Complainant requests a reduction in the 2011 assessment of the subject property from \$6,110,500 to \$4,917,000.

POSITION OF THE RESPONDENT

The Respondent presented to the Board a chart of six comparable sales, which are shown below:

Comp	Address	Sale Date	Year Built	Site Coverage	Building Size LBA (SF)	TASP	TASP/SF LBA	
1	9330 45 Avenue NW	Apr 16, 09	1998	29%	39,663	\$5,414,832	\$136.52	
2	9451 45 Avenue NW	Mar 20 07	1998	38%	74,973	\$8,701,500	\$116.06	
3*	9304 60 Avenue	June 4 07	1973	36%	40,400	\$5,037,300	\$124.68	
4	16295 132 Avenue NW	Jan 4 08	1979	46%	41,554	\$3,753,885	\$90.34	
5	4004 99 Street	Jan 2 09	1974	45%	38,859	\$4,358,040	\$112.15	
6	8747 51 Avenue NW	Apr 18 07	1978	42%	76,233	\$8,640,306	\$113.34	
								Assessment
Subj.	6910 34 Street NW		1983	33%	65,564			\$6,110,500
							Assessment Rate	\$93.20

*common to both parties

Based on the above information the Respondent requests that the 2011 assessment of the subject property be confirmed at \$6,110,500.

The Respondent also included as support for the recommendation to confirm the 2011 assessment, a chart of 8 Equity Comparables that were assessed within a range of \$96.10 to \$101.53 per square foot.

FINDINGS

- All three of the Complainant's comparables were constructed 5 to 10 years prior to the subject and have building sizes between 24% to 38% smaller.
- The Complainant's comparable #3, at 9304 - 60 Avenue, is in common with the Respondent's comparable #3. This comparable is most similar in site coverage to the subject.
- The Respondent's unit of comparison rates, except for the comparable at 16295 – 132 Avenue which not in the same quadrant, exceed the subject's unit of comparison rate by 20% to 46%.
- The Respondent's eight equity assessment comparables with an average unit of comparison rate of \$96.40 psf are relatively similar to the subject.

REASONS FOR THE DECISION

All the sales comparables presented to the CARB lack similarity to the subject either in site coverage, year of construction, building size and location. The sale price per square foot (psf) indicators range from \$71.19 psf to \$136.52 psf from the parties. The complainant is arguing for a unit of comparison rate of \$75.00 which is near the bottom of the range indicted by the sales. The assessment reflects a unit of comparison rate of \$93.20, which is mid range. The CARB is not persuaded to revise the assessment to a unit of comparison rate of \$75.00 psf when the assessment is very equitable to the properties that are similar.

DECISION

The assessment is confirmed at \$ 6,110,500.

Dated this 2nd day of February, 2012, at the City of Edmonton, in the Province of Alberta.

D. H. Marchand, 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: GREGG PROPERTIES CO LTD