



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION 0098 735/11

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 17, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
8976979	9503 - 42 Avenue NW	Plan: 7721479 Block: 17 Lot: 4 / 3/2/1	\$6,654,500	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
Stephen Leroux, 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 Respondent lodged an objection to the Complainant's submission of a Rebuttal Disclosure document (Exhibit C-2, 27 pages) which, in their opinion, contained information which could be deemed as "*new evidence*." The Board considered the objection raised by the Respondent and ruled as follows: Pages 1, 8, and 27 are admissible as rebuttal evidence while the other pages should be disregarded by the Board because the evidence contained on those pages is either referenced to another Roll Number, is new evidence, or is completely irrelevant to the Complaint at hand. Further to this, it is the decision of the Board to disallow any reference or any questions which would go to any pages in Exhibit C-2 other than pages 1, 8, and 27.

BACKGROUND

3. The subject property is a medium warehouse located at 9503 – 42 Avenue in the Strathcona Industrial Park. It is zoned as IB, contains 2 buildings with an effective year built of 1978, land size of 176,534 square feet, main floor area of 63,092 square feet, and site coverage of 36%. The current assessment is \$6,654,500.

ISSUE(S)

4. The Complainant had attached a schedule of issues to the Complaint Form; however, at the hearing all issues, in accordance with Exhibit C-1, page 4, were abandoned except for the following:
 - 4.1 Is the assessment of the subject property fair and equitable when considering the sales of comparable properties?
5. However, it is noted that during the merits of the hearing, the Complainant also included evidence in their evidentiary package (Exhibit C-1), and argued the assessment on the basis of equity as well.

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

6. The Complainant submitted 7 sales comparables (Exhibit C-1, page 8), two of which have 2 buildings on the property while the other 5 have one building. On average, the time-adjusted sales value per square foot for the total leasable area is \$97.12, the median is \$91.52 per square foot, the requested value is \$90.00 per square foot, and the assessment is \$105.47 per square foot. The two properties which have 2 buildings have a time-adjusted sales value of \$72.22 and \$127.31, respectively.
7. The sales comparables are all located in the same quadrant of the City as is the subject property, and all were constructed in the same time frame, have similar site coverage, and portray similarities in gross building area. However, the main office in the subject building is 21,403 square feet while the range for the sales comparables for office space ranges from 0 to 9,330 square feet. The subject has no finished upper floor office area while the sales comparables have upwards to 7,533 square feet.
8. The Complainant submitted 7 equity comparables (Exhibit C-1, page 9), two of which have 2 buildings on the property while 5 consist of one building. The average of the equity comparables is \$91.87 per square foot, while the subject is assessed at \$105.47 per square foot.
9. All equity comparables are taken from the same quadrant of the City, were constructed in the same time frame as the subject, have similar site coverage, and similar gross building area.
10. The 2 equity comparables which have 2 buildings on them are comparable #1 and #3 which have an assessment of \$101.35 and \$99.00 respectively. The subject property has an assessment of \$105.47 per square foot.
11. In support of a request to reduce the assessment, the Complainant presented three CARB decisions (Exhibit C-1, pages 49 – 67) and quoted ARB 0540/2010-P, page 51:

“While the Board agrees that buildings on multiple building parcels must be analyzed separately due to often great discrepancies in size, age and condition, an adjustment must be made to recognize that the buildings are on a single file. In the absence of such an analysis, the Board looked to the aggregate selling price of the most similar comparable to determine what an appropriate value might be.”

POSITION OF THE RESPONDENT

12. In support of the current assessment, the Respondent submitted 8 sales comparables (Exhibit R-1, page 19), one of which has 2 buildings while the other 7 have one building on the property. The average time-adjusted sales price per square foot of these sales comparables is \$111.30.

13. Of the 8 sales comparables presented by the Respondent, 4 are selected in common with the Complainant (sales #3, 4, 6, and 8), and these support the current assessment. In addition, sales #4, 5, 6 and 7 exhibit characteristics similar to the individual buildings on the subject property (It should be noted that the “model” utilized by the City to arrive at an assessment value for properties which have more than one building evaluates the market value of each building as opposed to the Complainant’s methodology by comparing market values of properties that reflect similarities in the total floor area, in this case being 63,002 square feet.) in terms of effective year built, condition, total main floor area, and site coverage. These 4 sales comparables range in floor area from 27,869 to 38,859 square feet.
14. In addition to the sales comparables, the Respondent presented 4 equity comparables (Exhibit R-1, page 28) of properties in close proximity to that of the subject property. These comparables are similar to the subject property in terms of building count, effective year built, lot size, main floor area, and site coverage. The average assessment per square foot of these comparables is \$103.94 while the assessment of the subject property is \$105.47, well within the 95% confidence limits.

DECISION

15. **It is the decision of the Board to confirm the assessment of the subject property for 2011 at \$6,654,500.**

REASONS FOR THE DECISION

16. In considering the sales comparables presented in common by the Complainant and the Respondent (Exhibit R-1, page 18), the Board notes that the average sales value per square foot of these sales comparables exceeds the assessment value of \$105.47 per square foot.
17. As well, the sales comparables presented by the Respondent, although smaller in area than the total area of the 2 buildings in the subject property (Exhibit R-1, page 19), reflect a time-adjusted value per square foot in excess of the value of \$105.47 per square foot applied to the subject property. This further supports the assessed value.
18. As for the equity comparables, the Board is persuaded by the comparables presented by the Respondent in that each of these comparables has 2 buildings on the property, are located near the subject property, and fully support the assessment.
19. In contrast, the Board places little weight upon the Complainant’s equity comparables because only 2 of 7 have more than one building on the property.

20. Finally, the Board did consider the Complainant's argument in reference to ARB 0540/2010-P, Exhibit C-1, page 51 that, "...buildings on multiple building parcels must be analyzed separately due to often great discrepancies in size, age and condition, an adjustment must be made to recognize that the buildings are on a single file. In the absence of such an analysis, the Board looked to the aggregate selling price of the most similar comparable to determine what an appropriate value might be," and finds that only 2 of 7 sales comparable presented by the Complainant have more than one building on site, thereby eroding the element of comparability in light of the Complainant's reference to the CARB decision presented herein.

21. For these reasons, the Board concludes that the Complainant did not prove that the assessment is incorrect. As a result, the assessment is confirmed.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 3rd 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: SREIT (WEST NO 1) LTD