



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 748/11

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 20, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
8951469	10004 - 29A Avenue NW	Plan: 7620158 Block: 2 Lot: 21	\$4,631,500	Annual New	2011

Before:

Steven Kashuba, Presiding Officer
Judy Shewchuk, Board Member
Ron Funnell, Board Member

Board Officer: Jason Morris

Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Marty Carpentier, Assessor, City of Edmonton
Tanya Smith, Law Branch, City of Edmonton

PRELIMINARY MATTERS

1. At the request of the Respondent, the witnesses were put under oath. The parties indicated that they had no objection to the composition of the Board.

BACKGROUND

2. The subject property is a medium industrial warehouse located at 10004 - 29A Avenue NW in the Parsons Industrial neighbourhood of south Edmonton. The property consists of a single building of 41,907 square feet on the main floor and 56,638 square feet in total building area. It is situated on a lot of approximately 125,000 square feet or 2.9 acres. The property is assessed on the direct sales comparable method and the 2011 assessment is \$4,631,500.

ISSUE(S)

3. The sales comparables do not support the current assessment.

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 presented six sales comparables (Exhibit C-1, page 8) with time-adjusted sales prices ranging from \$71.19 to \$127.31 per square foot for the total leasable area. Four comparable properties are single-building and two are two-building properties. Based on the sales comparables, the Complainant submitted that the assessment of the subject property should be reduced from \$81.77 to \$70.00 per square foot for a total of \$3,964,500.
5. The Complainant pointed out that the current assessment should take into consideration the fact that a considerable amount of leasable space is located on the upper level (14,731 square feet out of a total of 56,638 square feet or 26%)) thereby reducing the subject's market value. This factor should be reflected in the assessment.

6. In response to a question of the Board, it is confirmed that sales comparable #6 was selected in common by both parties.
7. The Complainant did not present any equity comparables.

POSITION OF THE RESPONDENT

8. The Respondent presented five sales comparables (Exhibit R-1, page 19) with time-adjusted sales prices ranging from \$92.72 to \$124.68 per square foot for the total areas of the buildings. The Respondent submitted that the assessment of \$81.77 per square foot falls below the range of time-adjusted sales prices and therefore supports the assessment.
9. The Respondent presented eight equity comparables (Exhibit R-1, page 25) with assessments ranging from \$79.48 to \$85.73 per square foot for the total areas of the buildings. The Respondent submitted that the equity comparables also support the assessment of the subject at \$81.77 per square foot and asked that the Board confirm the 2011 assessment at \$4,631,500.
10. The Respondent pointed out that the Complainant's sales comparables #1 and #3 sold with leases well below market and, therefore, bring into question their comparability.
11. The Respondent questioned the Complainant's sales #4. The Complainant agreed that supportive documentation for the sale was not provided in Exhibit C-1.
12. As well, the Respondent pointed out that the Complainant's sales #4, #5, and #6 actually support the assessment.
13. The Respondent submitted that the Complainant had not met their onus of proving that the assessment was incorrect.

DECISION

14. It is the decision of the Board to confirm the assessment of the subject property for 2011 at \$4,631,500.

REASONS FOR THE DECISION

15. Three of the Complainant's six sales comparables support the assessment.
16. The Respondent's equity comparables support the assessment.
17. Two of the Complainant's sales comparables were two building properties whereas the subject has only one building. This fact brings into question their comparability.

18. Both the average and median of the time-adjusted sales prices of the Complainant's sales comparables were significantly higher than the requested reduction and higher than the current assessment.

19. The Complainant did not present any equity comparables.

DISSENTING OPINION AND REASONS

20. There is no dissenting opinion.

Dated this 15th 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: STROMIGA INC