



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 749/11

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:
8953754	3261 Parsons Road NW	Plan: 7920813 Block: 5 Lot: 5	\$4,409,000	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. In addition, Board members indicated no bias with respect to this file.
2. The Respondent objected to the acceptance of the Complainant's rebuttal documents on the grounds that the hearing had already proceeded to the stage of closing argument. The Complainant indicated that the rebuttal documents had been properly disclosed, and that he had simply not been asked whether he had a rebuttal before the Respondent began to speak to his summary. The Board held that the rebuttal could be submitted, and that the Respondent would have an opportunity to restart his argument once the rebuttal evidence was dealt with.
3. The rebuttal document having been allowed, there was then an objection on the part of the Respondent to the inclusion of pages 8 to 36 of the Complainant's rebuttal document Exhibit C-2. It was the submission of the Respondent that these materials were new evidence on the question of the assessment of single building properties as compared to the assessment of multi-building properties. The Respondent drew the Board's attention to a number of legislative definitions of rebuttal included in Exhibit R-2, pages 23-25. The Complainant argued that all of the material was in response to the City's evidence on how it had done its assessment.
4. The Board adjourned to consider the submissions, and after reconvening, issued its decision that pages 8-36 of the rebuttal document would be excluded. The Board found that in order to be accepted as rebuttal evidence, the evidence must respond to an argument or evidence presented by the Respondent, and that the Respondent's argument or evidence must not be something that the Complainant should reasonably have anticipated. In this case, the Board found that the matter of the assessment of single versus multiple building properties was an issue that could reasonably have been anticipated by the Complainant at the time of the Complainant's initial disclosure, and should have been included at that time. The Board noted that despite the exclusion of these sections of the rebuttal, the Complainant retained the right to make arguments with regard to the issue.

BACKGROUND

5. The subject property is an industrial warehouse property located at municipal address 3261 Parsons Road NW in the Parsons Industrial neighbourhood of southeast Edmonton. The property consists of two warehouses of 13,854 and 26,453 square feet respectively on the main floor with a total of 40,307 square feet. It is situated on a lot of approximately 81,600 square feet or 1.8 acres. The property was assessed on the direct sales comparable method, and the 2011 assessment is \$4,409,000.

ISSUE(S)

6. Is the 2011 assessment of the subject property fair and equitable based upon equity comparables?

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

7. In support of their request for a reduction in the assessment, the Complainant presented 7 equity comparables (Exhibit C-1, page 8) where the assessments ranged from \$86.50 to \$115.51 per square foot for the total leasable area. All of the properties consisted of single buildings and all were situated on major roads. The subject property consists of 2 buildings.
8. As for the element of comparability, the Complainant submitted that the equity comparables exhibit similarities to that of the subject property in terms of year built, site coverage, and gross building area. The average assessment per square foot of these equity comparables is \$89.43 while the subject property is assessed at \$109.39 per square foot. Based on the equity comparables the Complainant submitted that the assessment of the subject property should be reduced from \$109.39 to \$93.00 per square foot for a total of \$3,748,500.
9. The Complainant submitted to the Board that the method used by the City of Edmonton for assessing properties with multiple buildings on site is flawed and that a purchaser considering a purchase of a site would evaluate the site as a whole and not assign a value to each building. They indicated that the City of Edmonton assigned a value for each building on a multi-building site and that this inflated the assessment. In support of this argument, the Complainant presented 3 CARB decisions (Exhibit C-1, pages 27 – 45) which dealt with similar issues of assessment of sites containing multiple buildings located on a single titled parcel as being higher than assessments of comparable sites containing only one building.
10. In conclusion, the Complainant requested that the assessment be reduced to \$3,748,500.

POSITION OF THE RESPONDENT

11. The Respondent presented seven sales comparables (Exhibit R-1, page 21). Five were one-building properties and two were multi-building properties, as is the subject. The time adjusted sale prices for the single-building sales comparables ranged from \$109.53 to \$122.63 per square foot for the total areas of the buildings. Since none of the single-building sales comparables were situated on main roads, they would require upward adjustments. The time adjusted sale prices for the multi-building sales comparables ranged from \$109.39 to \$113.34 per square foot for the total areas of the buildings. The

Respondent submitted that the assessment of \$109.39 per square foot falls below the range of time adjusted sale prices and therefore supports the assessment.

12. The Respondent also presented eight equity comparables (Exhibit R-1, page 27) with assessments ranging from \$107.48 to \$118.25 per square foot for the total areas of the buildings. All eight of the equity comparables consisted of two buildings. The Respondent submitted that the equity comparables also support the assessment of the subject at \$109.39 per square foot and asked that the Board confirm the assessment.

DECISION

13. **It is the decision of the Board to confirm the assessment of the subject property for 2011 at \$4,409,000.**

REASONS FOR THE DECISION

14. The Complainant argued for a reduction in the assessment amount on the basis of equity comparables. However, the 7 equity comparables presented by the Complainant each have one building on the property, while the subject property has 2 buildings. Further to this, in 4 of the 7 equity comparables, the values per square foot actually exceed the assessment value per square foot (Exhibit C-1, page 8, equity comparables #1, 2, 3, and 7). As a result, the basis upon which the Board might consider a reduction is diminished.
15. On the other hand, the Board places considerable weight upon the sales comparables presented by the Respondent in that the time-adjusted sales values per square foot exceed the values per square foot in the assessment amount (Exhibit R-1, page 21).
16. Additionally, the Board places considerable weight upon the Respondent's equity comparables. These comparables are taken from the same quadrant of the City, each has 2 buildings on the property, and the variables of effective year built, site coverage, and total floor space are similar to that evident in the subject property (Exhibit R-1, page 27).
17. It is for these reasons that the Board concludes that the current assessment should not be disturbed.

DISSENTING OPINION AND REASONS

18. There was 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: WEST TWO ENTERPRISES LTD