



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 762/11

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 25, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1075605	4770 94 AVENUE NW	Plan: 7820294 Block: 4 Lot: 17	\$5,626,500	Annual New	2011

Before:

Larry Loven, Presiding Officer
John Braim, Board Member
Tom Eapen, Board Member

Board Officer: Jason Morris

Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Susen Douglass, Assessor, City of Edmonton

PRELIMINARY MATTERS

1. The parties indicated that they had no objection to the composition of the CARB. The CARB members indicated that they had no bias with regard to the subject property.

BACKGROUND

2. The subject property is a large warehouse, built in 1979 and is located in the Eastgate Business Park subdivision of the City of Edmonton. It consists of an industrial warehouse building of roughly 71,399 sq ft on a lot of approximately 143,703 sq ft. The 2011 assessment of the subject property is \$5,626,500.

ISSUE(S)

3. Is the 2011 assessment of the subject property too high?

LEGISLATION

4. *Municipal Government Act, RSA 2000, c M-26*
5. 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.
6. s 467(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration the valuation and other standards set out in the regulations, the procedures set out in the regulations, and the assessments of similar property or businesses in the same municipality.

POSITION OF THE COMPLAINANT

7. The Complainant filed this complaint on the basis that the subject property has been assessed in excess of its market value. In support of this position, the Complainant provided a chart (Exhibit C-1, p. 8) detailing six sales of industrial warehouses in various locations throughout the City of Edmonton. The sales comparables ranged in size from 32,248 to 72,371 square feet, in age from 1964 to 1979, and the date of sale ranged from May, 2007 to May, 2010. The time adjusted sale prices for these sales comparables ranged from \$70.01 to \$89.22 per square foot with an average of \$73.02 per square foot and a median of \$72.38 per square foot, whereas the subject property was assessed at a value of \$78.00 per square foot. Based on this information, the Complainant requested the CARB to reduce the 2011 assessment to \$5,140,500.
8. Furthermore, the Complainant provided a rebuttal (Exhibit C-2) indicating that of the Respondent's five sales comparables, four are located in superior locations on arterial roadways as opposed to the subject property which is located on an interior roadway. Regarding site coverage, three of these four sales comparables have significantly lower site coverage than the subject property and only one sale is not located on a major arterial

roadway. The Complainant then concluded that the Respondent's sales comparables in respect to location and site coverage lacked in similarity to the subject property.

POSITION OF THE RESPONDENT

9. The Respondent provided the CARB with a written brief on the "Application of the Mass Appraisal Process" with an explanation of their sales comparison model. The Respondent's submission regarding the 2011 assessment of the subject property (Exhibit R-1, p. 25) along with Law and Legislation (Exhibit R-2, p. 42). The Respondent provided a chart containing five warehouse sales comparables (Exhibit R-1, p. 18) located in the south east industrial quadrant of the City of Edmonton. The sales comparables ranged in size from 34,967 square feet to 63,652 square feet of warehouse space. The date of the sale ranged from February, 2007 to June, 2010, all time adjusted to July 1, 2010. The time adjusted sale prices for these comparables ranged from \$74.39 to \$112.15 per square foot based on the total building area, which supports the current assessment of the subject property at \$78.80 per square foot.
10. The Respondent also provided with the CARB equity chart (Exhibit R-1, p. 19) containing seven industrial warehouse comparables showing 2011 assessment values ranging from \$76.01 to \$89.94 per square foot, versus the subject assessed at \$78.80 per square foot. The effective year built for the equity comparables range from 1975 to 1981 and sizes from 60,300 square feet to 80,000 square feet. All of these equity comparables are located in the south east part of the City of Edmonton.
11. In conclusion the Respondent requested the CARB to confirm the 2011 assessment for the subject property at \$5,626,500.

DECISION

12. The decision of the CARB is to confirm the 2011 assessment for the subject property at \$5,626,500.

REASONS FOR THE DCISION

13. Based on the CARB's consideration of the sales comparables provided by the Complainant and the Respondent as summarized in the table below, the CARB finds that the range of the characteristics provided by the Complainant slightly more closely matches the characteristics of the subject property than those provided by the Respondent.

	Complainant (Min.)	Complainant (Max.)	Subject	Respondent (Min)	Respondent (Max.)
TASP (\$ per Sq.Ft)	60.45	89.22	78.80	74.39	112.15
Area (Total)	32,248	76,371	71,399	38,859	63,652
Main Floor (Office)	0	24,345	120	2,583	16,328

Main Floor (Total)	32,248	66,081	71,400	31,335	63,652
Mezzanine (Finished)	0	6,548	0	0	7,530
Year of Construction	1964	1979	1979	1968	1979
Site Coverage (%)	41	53	50	34	45

However, the CARB notes that only two of the six sales comparables provided by the Complainant are in the southeast industrial quadrant; whereas all five of the Respondent's sales comparables were located within the southeast industrial quadrant even though most of the Respondent's sales comparables can be considered to be situated on superior locations compared to the subject property. The CARB therefore finds that it can place no greater more on the sales comparable provided by the Respondent versus those of the Complainant.

14. Based on the CARB's consideration of the equity comparables provided by the Respondent as summarized in the table below, the CARB finds that the range of the characteristics provided by the Complainant is reflective of the of the subject property. The CARB notes that no equity comparables were submitted by the Complainant.

	Subject	Respondent (Min)	Respondent (Max.)
Location	SE	7- SE	
Area (Total)	71,339	60,300	80,000-
Main Floor (Total)	71,339	55,700	80,000
Year of Construction	1979	1975	1981
Site Coverage (%)	50	41	56
# Bldg.	1	1	1
Assessment (\$ per Sq.Ft)	78.80	76.01	84.73

15. In summary, given that: firstly, the sales comparables provided by the Complainant are countered by those provided by the Respondent supporting the assessed value of \$78.80 per square foot of total building area; and secondly, the equity comparables provided by the Respondent support the assessed value of \$78.80 whereas no equity comparables were provided by the Complainant. The CARB therefore finds, relying upon equity alone, that the subject property is fairly and equitably valued at the assessed of \$78.80 per square foot of total building area, or \$5,626,500.

DISSENTING OPINION AND REASONS

There was no dissenting opinion noted.

Dated this 16th day of February, 2012, at the City of Edmonton, in the Province of Alberta.

Larry Loven, 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.

16. cc: 17. CANADIAN PROPERTY HOLDINGS INC
