



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 766/11

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 23, 2012, respecting a complaint for:

| Roll Number | Municipal Address               | Legal Description        | Assessed Value | Assessment Type | Assessment Notice for: |
|-------------|---------------------------------|--------------------------|----------------|-----------------|------------------------|
| 2431005     | 13120<br>Yellowhead<br>Trail NW | Plan: 4877HW<br>Block: E | \$5,685,500    | Annual New      | 2011                   |

#### Before:

Steven Kashuba, Presiding Officer  
James Wall, Board Member  
Petra Hagemann, Board Member

**Board Officer:** Tannis Lewis

#### Persons Appearing on behalf of Complainant:

Chris Buchanan, Senior Consultant, Altus Group

#### Persons Appearing on behalf of Respondent:

Melissa Zayac, Assessor, City of Edmonton  
Stephen Leroux, Assessor, City of Edmonton

## **PROCEDURAL MATTERS**

1. The Board Members indicated that they had no bias with regard to this file. The parties indicated that they had no objection to the composition of the Board.

## **PRELIMINARY MATTERS**

2. There were no preliminary matters.

## **BACKGROUND**

3. The subject property is located at 13120 Yellowhead Trail NW in a subdivision zoned as Industrial Business District (IB). Improvements consist of two buildings with a total building area 43,104 square feet on a land size of 203,552 square feet. The older warehouse, constructed in 1955, has a main floor area of 8,021 square feet, while the newer warehouse constructed in 2003 has a main floor area of 30,180 square feet. The current assessment is \$5,685,500.

## **ISSUE**

4. Is the assessment of the subject property in excess of its market value?

## **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**

5. The Complainant provided the Board with a 48 page assessment brief (Exhibit C-1) which contained three sales comparables with photos, maps, and sales data sheets.
6. The three sales comparables are located in the northwest quadrant of the City and range in leasable space from 20,860 square feet to 34,650 square feet, while the leasable building area is 40,653 square feet in the subject property. The sales comparables exhibited site coverage of 24%, 20% and 15% respectively while the subject property's site coverage is 19%.

7. The Complainant argued that applying a “weighted average” of the existing improvements to indicate an effective age is an acceptable way to recognize the difference in the ages of the improvements. The Complainant suggests that the Respondent’s approach which analyzes the subject improvements on an individual basis is an improper approach. On the basis of a weighted average, the effective age of the two improvements, which were built in 1955 and 2003, is 1991.
8. The Complainant provided the Board with three Composite Assessment Review Board (CARB) decisions to support their methodology in assessing property improved with more than one building. In this regard the Complainant made reference to a portion of the ARB decision 0540/2010-P (Exhibit C-1, page 33) which states, in part: *“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 title. 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”*.
9. The Complainant’s sales comparables suggest a time-adjusted sale price range of \$93.10 per square foot to \$132.15 per square foot, for a median of \$117.07 per square foot.
10. The Complainant requests that the Board reduce the subject property’s 2011 assessment to \$5,081,000 or \$125.00 per square foot of combined leasable building area.

### **POSITION OF THE RESPONDENT**

11. The Respondent provided the Board with a 30 page assessment brief (Exhibit R-1). The brief contained mass appraisal methodology, photos and maps of the subject, four sales comparables and pertinent sales data sheets.
12. The sales comparables provided by the Respondent (Exhibit R-1, page 22) reflect time-adjusted sales prices of two distinct sets of properties. The first set represents two larger improvements, 25,798 square feet and 27,800 square feet, constructed in 1970 and 2007 respectively. These sales comparables are used by the Respondent in justifying the assessment of the newer (2003), larger (30,180 square feet) improvements on the subject property. The second set represents two smaller improvements of 8,787 square feet and 10,050 square feet constructed in 1979 and 1959 respectively. These two sales comparables relate to the older (1955), smaller (10,473 square feet) improvement on the subject property.
13. The Respondent indicated that in assessing the subject property the City had considered the two improvements on an individual basis and combined the resultant values to indicate the subject property’s assessment.
14. The Respondent provided seven equity comparables (Exhibit R-1, page 27) which exhibit improvement sizes ranging from 34,276 square feet to 43,054 square feet. These equity comparables ranged in assessments from \$122.33 per square foot to \$179.37 per square foot, which support the subject’s assessment at \$139.85 per square foot.

15. The Respondent requests that the Board confirm the subject property's assessment at \$5,685,500, which is \$139.85 per square foot.

## **DECISION**

- 16. It is the decision of the Board to confirm the assessment of the subject property for 2011 at \$5,685,500.**

## **REASONS FOR THE DECISION**

17. The Board accepts the Respondent's methodology of recognizing different market values applicable to each of the improvements on the subject land because of their ages (1955 and 2003).
18. The Board finds that the Complainant's methodology which treats the subject improvements as one individual building to be unrealistic when considering that the largest improvement which accounts for 75% of the total improvement area is 48 years newer than the second smaller improvement.
19. Upon a review of the Respondent's sales comparables, the Board is persuaded that these reflect the characteristics apparent in the subject property where there is a difference in the contributory values of the improvements to the overall property value. It is noted that the Respondent's sales comparables (Exhibit R-1, page 22) represent a mixture of both newer and older improvements with site coverage ranging from 14% to 27% compared to the subject which reflects a site coverage of 19%. These sales comparables indicate a time-adjusted sales price range of \$152.65 per square foot to \$223.97 per square foot, which supports the subject's 2011 assessment at \$139.85 per square foot.
20. As further evidence that the subject's assessment is fair, equitable and correct, the Board notes that the seven equity comparables (Exhibit R-1, page 27), presented by the Respondent, indicate a median value of \$137.76 per square foot.
21. The Board is not persuaded by the Complainant's sales comparables (Exhibit C-1, page 8) as only a time adjustment was applied and no adjustments were evident to reflect the subject property's exposure to the Yellowhead Trail. The Complainant's sale #3 (Exhibit C-1, page 19) represents an improvement which would be difficult to compare to the subject.
22. Jurisprudence has established that the onus of showing that an assessment is incorrect rests with the Complainant. The Board finds that the Complainant did not provide sufficient and compelling evidence to justify altering the 2011 assessment.

## **DISSENTING OPINION AND REASONS**

There was no dissenting opinion and reasons.

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

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Steven Kashuba, Presiding Officer

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*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.*

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cc: 13120 YELLOWHEAD TRAIL LTD