



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 768/11

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:
6066518	9110 Yellowhead Trail NW	Plan: 4159HW Lot: 22 / Plan: 23	\$8,893,000	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

BACKGROUND

1. The subject property is a medium warehouse located at 9110 Yellowhead Trail in Woodland Industrial Park. There are four buildings on the property, two of which were built in 1973, one in 1974, and an older building constructed in 1958. These buildings have a total floor area of 119,220 square feet and are situated on a 261,033 square foot parcel of land. The subject is assessed based on the sales comparison approach. The current assessment, as confirmed by the Respondent, is \$8,893,000.

ISSUE(S)

2. 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
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

3. The Complainant submitted a 51 page brief (Exhibit C-1) outlining the evidence supporting a requested reduction in the 2011 assessment. They presented five equity comparables (Exhibit C-1, page 8) similar to the subject in age, site coverage, total building sizes, and site area. These comparables range in assessments from \$58.08 per square foot to \$63.52 per square foot with a median of \$60.38 per square foot, indicating that the assessment of the subject at \$74.60 per square foot is excessive.
4. On the issue of a multiple building parcel as it applies to the subject property, the Complainant directed the Board to three Composite Assessment Review Board (CARB) decisions of the Calgary CARB (Exhibit C-1, pages 33-50). CARB decision 0540/201 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"*.
5. The Complainant requests the Board to reduce the 2011 assessment to \$61.00 per square foot for a value of \$7,272,000.

POSITION OF THE RESPONDENT

6. The Respondent presented a 41 page brief (Exhibit R-1) outlining the mass appraisal process in evaluating properties, photos and maps of the subject property, an assessment detail report and sales and equity comparables defending the assessment of the subject.
7. The Respondent submitted nine sales comparables (Exhibit R-1, page 20). These comparables were grouped into three categories to approximately correspond to the sizes of the four buildings on the subject site. These comparables were located in the northwest and northeast areas of the City, and ranged in year built from 1954 to 1980, in site coverage from 37% to 58%, and in size from 5,763 square feet to 46,685 square feet. The time-adjusted sales prices ranged from \$75.52 per square foot to \$137.34 per square foot. These values support the assessment of the subject at \$74.59 per square foot.
8. The Respondent referred the Board to nine equity comparables (Exhibit R-1, page 31). These properties were similar to the subject in lot size, effective year built, condition, and their assessments ranged from \$71.08 per square foot to \$104.55 per square foot. The first three comparables were similar to the subject in that they featured three buildings per site (subject has 4 buildings) and in total building area.
9. Based on the above evidence, the Respondent requests the Board to confirm the 2011 assessment.

DECISION

10. **It is the decision of the Board to confirm the assessment of the subject property for 2011 at \$8,893,000.**

REASONS FOR THE DECISION

11. The Board reviewed the Complainant's five equity comparables and finds that these were large warehouses similar in size to the total of all four buildings on the subject property (119,220 square feet). None of these comparables had multiple buildings on site. They were; however, similar to the subject in age, site area, site coverage and total building area. The first two equity comparables were inferior in location to the subject which has exposure to Yellowhead Trail. The assessments had a median assessment of \$60.38 per square foot compared to the assessment of the subject at \$74.59 per square foot, which indicates that the assessment of the subject may be excessive.
12. The Board analyzed the nine sales comparables presented by the Respondent (Exhibit R-1, page 20). These comparables were similar to the subject in year built, site coverage and ranged in date of sale from January, 2007 to March, 2010. None of these had multiple buildings on site. The Respondent grouped these sales according to the sizes of the individual buildings located on the subject property. For example, a 9,840 square foot building on a lot of 16,857 square feet sold in March, 2010 had a time-adjusted sales price of \$100.42 square foot. A 41,554 square foot building on an 86,975 square foot property sold in January, 2008 with a time-adjusted sales price of \$90.34 per square foot. The Board found it difficult to analyze the above nine sales. The sizes of these sales

correspond to the size of some of the buildings on the subject site; however, since the subject's four buildings were not assessed individually but based on an aggregate of 119,220 square feet of main floor area of the combined four buildings, the Board found it difficult to draw any meaningful comparison between these nine sales and the subject and therefore placed little weight on this evidence.

13. The Board examined the nine equity comparables presented by the Respondent (Exhibit R-1, page 31) and is persuaded by these in that they do support the assessment of the subject property. These properties were similar in effective year built, condition and site coverage. The first three equity comparables were most similar to the subject since they each had multiple buildings (3) on site. They were also similar in size of total main floor area. Comparables one and two had assessments of \$75.91 per square foot and \$80.24 square foot respectively compared to the subject's assessment of \$74.59 square foot.
14. In rendering its decision, the Board notes that the assessment amount of \$8,893,000 as referred to on the cover page of Exhibit R-1, page 1 and the Edmonton Assessment Review Board information sheet which, at the outset of the hearing, was read into the record and agreed to by the Respondent, is in contrast to the assessment of \$9,383,000 as referred to in the Respondent's Account Detail Report in Exhibit R-1, page 19. As well, it is noted that the Complainant, in their disclosure document, Exhibit C-1, bases their appeal on an assessment of \$8,893,000. These figures are sufficiently confusing so as to bring into question the correct assessment amount. Since both parties during the merit hearing used \$8,893,000 as the assessment amount being challenged, this is the amount that the Board confirms.

DISSENTING OPINION AND REASONS

15. There was no dissenting opinion or reasons.

Dated this 16th 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: 69304 HOLDINGS LTD