



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 769/11

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 24, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1074871	2010 80 Avenue NW	Plan: 8020358 Block: 1 Lot: 6	\$1,646,500	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:

Walid Melhem, Senior Consultant, Altus Group

Persons Appearing on behalf of Respondent:

Bonnie Lantz, Assessor, City of Edmonton
Michael Johnson, 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 brought up by either party.

BACKGROUND

3. The subject property, a medium warehouse built in 1981, is located at 2010 – 80 Avenue NW in the southeast (annexed) Industrial subdivision of Edmonton. The building has a gross floor area of 12,874 square feet, is located on at 45,640 square foot parcel of land, and has a site coverage of 28%. The current assessment is \$1,646,500.

ISSUE(S)

4. Is the subject fairly assessed as compared to the sale of similar properties?

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

5. The Complainant submitted a brief (Exhibit C-1) to the Board challenging the 2011 assessment. Four comparable sales were presented to the Board for review (Exhibit C-1, page 8). These sales are all located in the same subdivision as is the subject. They are similar to the subject in age, size, site coverage and total office space, and range in time-adjusted sales prices from \$82.56 per square foot to \$134.54 per square foot. The average time-adjusted sales price is \$100.76 per square foot and the median is \$97.49 per square foot. Comparables #1 and #4 also have upper office space; however, no adjustment was presented to the Board to reflect this difference.

6. When asked how the Complainant arrived at the requested assessment of \$100.00 per square foot, the explanation was that the average of the two comparable sales with upper office space and the average of the two comparables with no upper office space were once again averaged to arrive at \$100.00 per square foot. Therefore, the Complainant requests the Board to reduce the assessment of the subject property from \$127.89 per square foot to \$100.00 per square foot for a total adjusted 2011 assessment of \$1,287,000.

POSITION OF THE RESPONDENT

7. The Respondent provided the Board with a brief (Exhibit R-1) defending the 2011 assessment. This brief refers to the factors affecting valuation of warehouse properties (Exhibit R-1, page 7), which are location, size of lot, age and condition of the building, and the total area of the main floor. Also included in the model are the amount of developed space on the second floor and the mezzanine area.
8. Five comparable sales (Exhibit R-1, page 19) were provided to show that the subject's assessment is reasonable. These sales are similar to the subject in location, lot size, age, condition, main floor area, site coverage, and absence of upper office space. The time-adjusted sales prices range from \$130.46 per square foot to \$196.20 per square foot, indicating that the assessment of the subject is correct.
9. Although equity was not at issue, the Respondent submitted five equity comparables without finished upper office space, and all located in the same subdivision as is the subject property. These assessments range from \$125.63 per square foot to \$135.96 per square foot. This further indicates that the assessment of the subject property is fair and equitable.

DECISION

10. **It is the decision of the Board to confirm the assessment of the subject property for 2011 at \$1,646,500.**

REASONS FOR THE DECISION

11. The Board places little weight upon the four sales comparables presented by the Complainant. In this regard the Board notes that although all are located in the same subdivision as is the subject property, only sales #2 and #3 were considered by the Board to have characteristics similar to the subject property in that they had no upper office space and therefore required no adjustment. However, the assessments of these two comparables ranged significantly from \$82.56 to \$134.54 per square foot thereby bringing into question the element of comparability where the assessment of the subject property is at \$127.89 per square foot.

12. The Board places most weight on the five sales comparables provided by the Respondent, wherein sales #3 was also submitted by the Complainant. These properties, although not located in the same subdivision as the subject, are in the same quadrant of the City. Eliminating comparable #1, which appears to be an outlier at \$196.20 per square foot and which is located on a smaller lot with 17% site coverage, the four remaining comparables average \$132.94 per square foot. This supports the assessment of \$127.89 per square foot.

DISSENTING OPINION AND REASONS

13. There was no dissenting opinion.

Dated this 17th 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: PARAGON INVESTMENTS LTD