



ASSESSMENT REVIEW BOARD

Churchill Building
10019 103 Avenue
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NOTICE OF DECISION NO. 0098 809/11

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 February 21, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9946164	5203 86 STREET NW	Plan: 9121003 Block: 4 Lot: 18	\$30,373,000	Annual New	2011

Before:

Dean Sanduga, Presiding Officer
Dale Doan, Board Member
George Zaharia, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Walid Melhem

Persons Appearing on behalf of Respondent:

Joel Schmaus, Assessor

PROCEDURAL MATTERS

[1] Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to the file.

PRELIMINARY MATTERS

[2] There were no preliminary matters.

BACKGROUND

[3] The subject property is a four building, multi-tenant warehouse complex with a total size of 231,572 square feet located at 5203-86th Street (major roadway), in the southeast Edmonton sector, within the McIntyre Industrial neighbourhood. The buildings were constructed beginning in 1999 and the final building built in 2006. All buildings are situated on a 737,776 square foot site with site coverage of 31%. The 2011 assessment is \$30,373,000.

ISSUE(S)

[4] Is the assessment of the subject property fair and equitable when compared to the sales and assessed value of comparable properties?

LEGISLATION

[5] The *Municipal Government Act, RSA 2000, c M-26* reads:

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

[6] The Complainant presented evidence (C-1) and argument for the Board's review and consideration. To support the position that the 2011 assessed value is too high, the Complainant provided five time adjusted sales comparables (C1- page 8) and five equity comparables (C-1 page 9).

[7] The sales data indicated a range from \$69.41 to \$84.55 per square foot, an average of \$75.35 and a median of \$75.11 per square foot. Three of the sales are located in northwest sector and two sales are located in the southeast sector of Edmonton. Four of the five sales are interior locations. The comparables were built between 1996 and 2007 and have site coverage ranging from 35% to 56%, with gross building sizes ranging from 163,368 square feet to 399,987 square feet. No comment or evidence as to the condition of the comparables was provided. Four of the five sales have a single building and one sale has three buildings.

[8] The equity comparables (C-1, page 9) indicated a range in assessment value from \$103.46 to \$127.49 per square foot, an average of \$115.37 per square foot and a median of \$111.76 per square foot. All equity comparables are located in the southeast sector and were built between 2005 and 2009, with site coverage ranging from 34% to 39% and gross building sizes from 165,000 to 249,600 square feet. There was no comment or evidence as to the condition of the comparables. Three of the comparables have two buildings, one three buildings and one has four buildings. Four of the five comparables are on major roadways (similar to subject) and one is an interior location.

[9] The Complainant submitted that the direct sales approach indicated a value of \$17,367,500 for the subject, while assessments of similar properties indicate an equitable value of \$26,630,500.

[10] Based on the direct sales approach, the Complainant requested a reduction of the 2011 assessment from \$30,373,000 to \$17,367,500.

POSITION OF THE RESPONDENT

[11] The Respondent presented evidence (R-1) and argument for the Board's review and consideration, and outlined the mass appraisal process along with the factors found to affect value in the warehouse market (R-1, page 4 through page 8).

[12] The Respondent provided a chart of six time adjusted sales comparables (R-1, page 19) in support of its position that the 2011 assessment was fair and equitable. The Respondent's comparables were divided into three subgroups: large warehouses, medium warehouses and small warehouses. The Respondent submitted that each subgroup demonstrates a fair value of the actual buildings located on the site. Five of the six sales are located in the southeast sector and one located in the northwest sector of Edmonton. Five of the sales are one building sites and one sale was a two-building site. Two sales are located on major roadways. All sales are in average condition with year built ranging from 1978 to 2007, gross building sizes from 30,078 square feet to 291,285 square feet and site coverage from 29% to 42%.

[13] To further support the 2011 assessment of the property the Respondent provided a chart of four equity comparables (R-1, page 26). The assessed values range from \$122.69 to \$138.10 per square foot. All are located in southeast Edmonton and have multiple buildings. Three comparables are interior locations and one is on a major roadway. Site coverage range from 25% to 34% and gross building sizes from 145,280 square feet to 291,275 square feet. All comparables are in average condition.

[14] The Respondent requested that the 2011 assessment be confirmed at \$30,373,000.

DECISION

[15] The decision of the Board is to confirm the subject property's 2011 assessment of \$30,373,000 as fair and equitable.

REASONS FOR THE DECISION

[16] The Board was not persuaded by the sales comparables provided by the Complainant as four of the five sales involved single building properties whereas the subject is a multi-building

and site coverage was much higher. The only multi-building comparable involved a multi titled transaction not comparable to a single titled property.

[17] The Board was also not persuaded by the sales comparables provided by the Respondent and the argument that three subsets of comparables were the best way to demonstrate a fair and equitable market assessment.

[18] The Board was persuaded by the equity comparables provided by both parties, in particular, #1 and #2 (C-1, page 9) and #1, #2 and #3 (R-1, page 26). It is noted by the Board that the Complainant's #1 and #2 comparables are the same as the Respondent's #2 and #3 comparables. These two shared equity comparables indicate an assessment per square foot of \$122.69 and \$127.67 per square foot respectively. Equity comparable #1 provided by the Respondent indicated an assessment per square foot of \$134.43 that is higher than that of the subject property. However, the Board notes the lower site coverage and smaller building size of the Respondent's comparable #1 suggests that the per square foot value should be higher. In conclusion, the assessed value of the subject property at \$131.16 per square foot falls within the range of these equity comparables provided by both parties and it is the Board's conclusion that the 2011 assessment of \$30,373,000 is fair and equitable.

DISSENTING OPINION AND REASONS

[19] There was no dissenting opinion.

Dated this 20th day of March, 2012, at the City of Edmonton, in the Province of Alberta.

Dean Sanduga, 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: SUN LIFE ASSURANCE COMPANY OF CANADA