



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 810/11

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:
8480220	4703 101 STREET NW	Plan: 3248TR Block: 1 Lot: 9	\$4,779,500	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

## **PRELIMINARY 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 this file. There were no preliminary matters.

## **BACKGROUND**

[2] The subject property is a single building multi-tenant medium warehouse built in 1975 and located at 4703-101 Street. The building is in average condition and has no upper office finish. The property measures 70,156 square feet on a 121,529 square foot parcel with 50% site coverage.

## **ISSUE(S)**

[3] Is the 2011 assessment of the subject property fair and equitable when compared to the sales of comparable properties?

## **LEGISLATION**

[4] 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**

[5] The Complainant presented evidence including four time adjusted sales comparables (C-1, page 8), for the Board's review and consideration to support its argument that the assessment of the subject property is too high.

[6] The sales indicated a range from \$70.01 to \$92.76 per square foot, an average of \$81.63 and a median of \$81.87 per square foot. All sales are located in the southeast sector of Edmonton and all are interior locations. The sales comparables were built between 1973 and 1980, with site coverage ranging from 42% to 54%, and gross building sizes from 30,470 square feet to 76,371 square feet. All four sales have upper office finish.

[7] The Complainant acknowledged that two of the sales comparables are two-building properties, whereas the subject is a single building. The Complainant argued that the subject property should be at the low end of the indicated range due to its building size and emphasizing the more recent sales that indicate a value of \$70.00 per square foot (C-1, page 8).

[8] The Complainant requested reduction of the 2011 assessment from \$4,779,500 to \$4,221,000 based on the direct sales comparison approach.

## **POSITION OF THE RESPONDENT**

[9] The Respondent presented a brief (R-1) including sales and equity comparables for the Board's review and consideration to support the current assessment of the subject property.

[10] The Respondent outlined the mass appraisal process along with the factors found to affect value in the warehouse market (R-1, pages 4 to 8), emphasizing that they were bound by this process. Those factors found to affect value in the warehouse inventory are the location of the property, the size of the lot and condition of the buildings, the total area of the main floor, developed second floor and mezzanine area.

[11] The Respondent provided a chart of three time adjusted sales comparables (R-1, page 19) indicating a range from \$70.01 to \$113.34 per square foot to support the subject's assessed value of \$79.26 per square foot. All are located in southeast sector of Edmonton. Sales #1 and #2 are located on major roadways. The sales comparables were built between 1971 and 1978 and are all in average condition. Total building area for the sales comparables range from 63,652 square feet to 76,323 square feet with site coverage ranging from 36% to 52%. Two sales have upper floor finish. All sales are single building properties.

[12] To further support the 2011 assessment of the property the Respondent submitted an equity chart of six assessment comparables (R-1, page 23). The assessed values range from \$78.66 to \$91.21 per square foot and support subject's assessed value of \$79.26 per square foot. The equity comparables are located in southeast Edmonton, with interior locations and all are in average condition. The equity comparables were built between 1976 through 1986 and have total building area ranging from 48,350 square feet to 71,399 square feet with site coverage ranging from 38% to 59%.

[13] The Respondent also stated that they considered equity comparable #6 at \$78.80 per square foot to be the best comparable supporting the subject's per square foot assessment of \$79.26.

[14] Based on the time adjusted sales comparables and the equity comparables the Respondent requested that the 2011 assessment be confirmed at \$4,779,500.

## **DECISION**

[15] The decision of the Board is to confirm the subject's 2011 assessment of \$4,779,500 as fair and equitable.

## **REASONS FOR THE DECISION**

[16] The Board placed little weight on the time adjusted sales comparables provided by the Complainant as all four sales had upper office space, and sale #4 with minimum upper office space indicates a time adjusted sale price for main floor space of \$95.33 per square foot. This supports the subject property's 2011 assessment of \$79.26 per square foot. In addition, two of the four sales are two-building properties making them not comparable to the subject property with one building.

[17] The Board also placed little weight on the Respondent's time adjusted sales comparables as two of the three sales had major upper office space, two were on major roadways and two had much lower site coverage than the subject.

[18] The Board was persuaded by the six equity comparables provided by the Respondent (R-1, page 23). The subject's assessed value of \$79.26 per square foot falls at the lower end of the range (\$78.26 to \$91.21 per square foot) demonstrated by the six comparables. In particular, the Board was persuaded by comparables #2 and #6, both without upper office finish demonstrating assessed values of \$81.36 and \$78.80 per square foot respectively. The subject property's assessment of \$79.26 per square foot falls within the middle of these two comparables thereby supporting the assessment.

[19] The Board is persuaded that the 2011 assessment of the subject property at \$4,779,500 is fair and equitable.

### **DISSENTING OPINION AND REASONS**

[20] There was no dissenting opinion.

Dated this 20<sup>th</sup> 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: WEST TWO ENTERPRISES LTD