



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 822/11

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 March 14, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1075829	9221 48 Street NW	Plan: 7820294 Block: 10 Lot: 5	\$3,950,000	Annual New	2011

#### Before:

James Fleming, Presiding Officer  
Dale Doan, Board Member  
Petra Hagemann, Board Member

#### Board Officer:

Annet Adetunji

#### Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group Ltd

#### Persons Appearing on behalf of Respondent:

Joel Schmaus, Assessor, City of Edmonton  
Cherie Skolney, Assessor, City of Edmonton

## **PRELIMINARY MATTERS**

1. It should be noted that due to considerable delays experienced as a result of the City's preliminary challenge of the validity of Altus CARB complaints, including filing of a leave to appeal the CARB decision of the preliminary hearing in the Court of Queen's Bench, the Assessment Review Board (CARB) administration determined it would be unable to meet the deadlines set out in s. 468 (1) of the Municipal Government Act (MGA), and s. 53 (b) of Matters Relating to Assessment Complaints. Accordingly, the ARB administration requested and obtained a Ministerial extension to hear the affected roll numbers, including the subject property in 2012 under the authority of s. 605(2) of the MGA.
2. The CARB 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 CARB.

## **BACKGROUND**

3. The subject property is a single building medium warehouse zoned IB, built in 2008 and located at 9221-48 Street. The building is in average condition and has finished upper floor space. The property measures 29,011 square feet in size on a 55,255 square foot parcel with 48% site coverage.

## **ISSUE(S)**

4. Seven issues were outlined in the Complainant's brief (C-1, pg 3), however the Complainant advised that only issue #4 "*the assessment of the subject property is in excess of its market value for assessment purposes*" remained as the main issue and sales of comparable properties were to be used to challenge the 2011 assessment.

## **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 presented evidence including four time adjusted sales comparables (C-1, pg 8)), for the CARB's review and consideration to support its arguments that the assessment of the subject property is too high.
6. The sales indicated a range from \$123.77 to \$167.60/sq ft. One sale is located in the northwest industrial sector of Edmonton and the remaining sales are located in the southeast and all are interior locations. The sales comparables were built between 1997 and 1980, with a site coverage ranging from 29% to 45% and gross building sizes from 15,001 sq ft to 39,662 sq ft. One sale has upper floor finish.
7. To further support that the assessment of the subject property is too high the Complainant submitted an equity chart of four assessment comparables (C-1, pg 9). The assessed values range from \$117.12/sq ft to \$138.39/sq ft with an average of \$126.71 and a median of \$125.68/sq ft to support that the assessment of the subject property is too high. The equity comparables are located in southeast Edmonton, with interior locations. The equity comparables were built from 1997 through 2005 and have total building area ranging from 30,844 square feet to 39,320 square feet with site coverage from 43% to 56%.
8. The Complainant requested reduction of the 2011 assessment from \$3,950,000 to \$3,626,000 based on the direct sales and equity comparables.

## **POSITION OF THE RESPONDENT**

9. The Respondent presented a brief (R-1) including sales and equity comparables for the CARB'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, pgs 4 through 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 the condition of the buildings, the total area of the main floor, developed second floor space and mezzanine area.
11. The Respondent provided a sales chart of five time adjusted sales comparables (R-1, pg 22) indicating a range of \$124 to \$167.60/sq ft to support the subject's assessed value at 136.16/sq ft. All sales are located in the southeast sector of Edmonton and all are interior locations. The sales comparables were built between 1992 and 2000 and all are in average condition. Total building area for the sale comparables range from 15,001 sq ft to 39,663 sq ft with site coverage from 27% to 34%. Two sales have upper floor finish.
12. To further support the assessment of the subject property the Respondent submitted an equity chart of six assessment comparables (R-1, pg 28). The assessed values range from \$117.12 to \$172.47/sq ft and support the subject's assessed value of \$136.1/sq ft. The equity comparables are all located in southeast Edmonton with interior locations and all are in average condition. The equity comparables were built between 2004 through 2008 and have total building area ranging from 21,780 sq ft to 39,320 sq ft with site coverage from 30% to 56%.
13. Based on the time adjusted sales comparables and the equity comparables the Respondent requested that the 2011 assessment be confirmed at \$3,950,000.

## **DECISION**

14. The decision of the CARB is to allow the complaint and reduce the 2011 assessment to \$125.00/sq ft or \$3,626,000.

## **REASONS FOR THE DECISION**

15. The CARB reviewed all the evidence and argument. In order to aid in the comparison of the subject relative to the Comparables it should be recalled that the subject was built in 2008, it sits on a site of 55,255 sq. ft. and has 48% site coverage by virtue of a 29,011 sq. ft. improvement with 2,611 sq. ft. of finished upper area.
16. The Complainant provided four sales comparables (C1, pg 8) which they asserted could be adjusted where necessary to support their request for a value of \$125.00/sq ft. The comparables of the Complainant required adjustments for sale date (Aug. 07 to Sep. 09), for location (one was in the northwest quadrant of the City), year of construction (1997 to 2003), site area (34,085 to 134,249 sq. ft.), site coverage (29% to 49%), and size of the improvement (15,001 to 39,662 sq. ft.).
17. The Respondent provided five sales comparables, three of which (6111-56 Ave., 961-39 Ave. & 9330-45 Ave.) were common to both parties. These comparables required adjustment for sale date (Aug. 2007 to Mar. 2010), age (1992 to 2000), site coverage (27% to 34%), and amount of finished upper level space (0 to 4,198 sq. ft.) and size (15,001 to 39,663 sq. ft.).
18. In evaluating the presentations, the CARB was concerned because neither party provided sufficient evidence for the CARB to understand the magnitude of the adjustments required to make the Comparables compare with the subject. They also observed that three of the same sales were being used to demonstrate support each parties request for different values? The only “solid” evidence demonstrating support for any adjustment was the time adjustment where both parties accepted the City’s time adjustment study (C-1 pg 13). The CARB found that there were too many “types” of adjustments to be made (i.e. location and size and site coverage and finished upper level etc.), and in addition, there was little if any evidence showing/proving the magnitude of any adjustment (except for the time adjustment noted above). The Complainant’s “unadjusted” comparables ranged from \$70.01 to \$89.22 /sq ft. Likewise, the Respondent’s “unadjusted” comparables also exhibited a wide range, from \$124.00 to \$167.60/sq ft, compared to the subject’s \$136.16/sq ft.
19. Accordingly, the CARB put little weight on the sales comparables of either party because of the inability to make valid adjustments to “any” attribute based on lack of evidence.
20. Next, the CARB turned to analyzing the Equity Comparables of the parties, The Complainant provided 5 equity comparables, all of which were larger than the subject. The assessments ranged from \$117.12 to \$138.39.

21. The Respondent provided six equity comparables with values ranging from \$117.12 to \$172.4/sq ft and one of the comparables was in common with the Complainant (6125-56 Ave).
22. In evaluating the comparables, the CARB noted that four of the comparables submitted by the Respondent had site coverage significantly lower than the subject property (average 31% versus 48% for the subject). Furthermore, the remaining two comparables had site coverage more similar to the subject and had assessed values of \$117.12 and 127.87/sq ft, both of which tended to support the Complainant's request. The CARB also noted that the Complainant's comparables were all reasonably close in site coverage to the subject (the average site coverage was equal to that of the subject). Furthermore, the CARB also noted that according to the City (R1, pg 8), site coverage is a key factor.
23. Accordingly, the CARB finds that there is sufficient compelling evidence from the Complainant's equity comparables and the two comparables from the City with similar site coverage to reduce the assessment to \$125.00 per sq. ft. for a total of \$3,626,000 (the amount requested by the Complainant).

#### **DISSENTING OPINION AND REASONS**

24. There was no dissenting opinion.

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

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James Fleming, 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: MARIA MAGDALENA INGEBORG ELLWANGER