



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 861/11

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 April 2, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
8636631	9725 54 AVENUE NW	Plan: 4372TR Block: 18 Lot: 1	\$2,458,000	Annual New	2011

Before:

Patricia Mowbrey, Presiding Officer
Lillian Lundgren, Board Member
Ron Funnell, Board Member

Board Officer: Jodi Keil

Persons Appearing on behalf of Complainant:

Chris Buchanan, Altus Group
Kerry Reimer, Altus Group

Persons Appearing on behalf of Respondent:

Stephen Leroux, Assessor, City of Edmonton

PRELIMINARY MATTERS

1. The Presiding Officer questioned the Complainant and the Respondent if there was an objection to the composition of the Board. No objection was indicated. The Board members indicated there was no bias to the file.

BACKGROUND

2. The subject property is a multi tenant warehouse with 24,600 sq ft main floor space, 48% site coverage, constructed in 1976 and located at 9725 – 54 Avenue NW in the Coronet Industrial subdivision in the City of Edmonton.

ISSUE(S)

3. Is the 2011 Assessment for the subject property correct?

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

4. The position of the Complainant is the assessment of the subject property is incorrect. The Complainant submitted that the correct assessment for the subject is \$2,214,000 and presented 4 sales comparables time adjusted with the City of Edmonton time adjustment factors. The Complainant indicated that sale #3 has significant upper office development whereas the subject property has none and that sale #4 is located closest to the subject property. The sales comparables had an average sales price of \$93.87 per sq ft and the median sale price was \$92.14 per sq ft.
5. The Complainant requested the Board to reduce the 2011 Assessment to \$2,214,000 or \$90.00 per sq ft.

POSITION OF THE RESPONDENT

6. The position of the Respondent is the 2011 assessment of the subject property is correct and in support of the assessment presented 4 time adjusted sales comparables that range from \$91.52 per sq ft to \$116.68 per sq ft. The Respondent stated that 2 of the sales comparables, #1 and #4 are the same as the Complainants sales comparables #2 and #3. The Respondent indicated that sale #1 has significant upper office development which

tends to lower total price per sq ft, sales #2 and #3 are located on major roadways whereas the subject property is an interior location, and sale #4 is the closest to the subject and the best comparable.

7. The Respondent also presented 8 equity comparables to further support the 2011 assessment and argued the subject assessment of \$99.92 per sq ft falls within the range of \$90.22 and \$121.97 the assessments for similar properties in the subject area.
8. The Respondent requested the Board to confirm the 2011 assessment of \$99.92 per sq ft or \$2,458,000.

DECISION

9. The Decision of the Board is to confirm the subject property 2011 Assessment of \$2,458,000.

Roll Number	Original Assessment	New Assessment
8636631	\$2,458,000	\$2,458,000

REASONS FOR THE DECISION

10. The Board reviewed the evidence submitted by the Complainant and the Respondent.
11. The Complainant presented 4 sales comparables to support its position that the assessment is incorrect. The Board noted that sales # 2 is similar to the subject in age, site area, site coverage, leaseable building area. Sale # 3 has 4,964 sq ft of upper office space which is significant in relation to the total building area. The Board understands that upper office space is leased at a lower rate and can lower the total building value per sq ft.
12. The Board considered comparable sale #1 and #4, both having slightly higher site coverage of 54% than the subject at 48%, sale #1 has a smaller building and site area and sale #4 has 820 sq ft of upper office space. Comparable #2 is located close to the subject and is the most similar in age, site area, site coverage, leaseable building area and has no upper office space. The Board places significant weight on this comparable which has a time adjusted sales price of \$100.36 per sq ft. and supports the subject property 2011 assessment of \$99.92 per sq ft.
13. The Respondent presented 4 sales comparables to support the 2011 assessment. As indicated by the Respondent sales #1 and #4 are the same comparables as the Complainant's sales comparables #2 and #3. The Board noted comparable #2 is located on 50th Street and #3 is located on 99 Street, both major roadways and may increase sales prices. Comparable #2 is 18,534 sq ft, a smaller building than the subject at 24,600 sq ft and comparable #3 is older by 8 years. Comparable #4 is the same as the Complainant's comparable #2, and is located close to the subject and is most similar in age, size, site area, site coverage and has no upper office development. As both the Complainant and the Respondent presented this comparable as their best comparable the Board places

greatest weight on it with a time adjusted sales price of \$100.36 per sq ft which supports the 2011 assessment of \$99.92 per sq ft.

14. The Respondent presented Equity Comparables to further support the 2011 assessment. All of the comparables are located in the Coronet Industrial subdivision, the same area as the subject property. Comparable # 1 has a higher sight coverage of 63% than the subject at 48%, # 2 and #6 are in fair condition and the subject is in average condition, #7 is located on a major roadway whereas the subject is considered an interior location, and #9 is considered newer by 13 years. Therefore comparables #1, #2, #6, #7, and #9 are not sufficiently similar to compare the equity value to the subject property, however, comparables #3, # 4, and # 8 are similar in age, site area, site coverage, size, and condition with an average assessed value of \$99.35 per sq ft which supports the 2011 assessment of \$99.92 per sq ft.

15. The Board finds the subject property 2011 assessment of \$99.92 per sq ft or \$2,458,000 is correct, fair and equitable.

DISSENTING OPINION AND REASONS

16. There are no dissenting opinions.

Dated this 11th day of April, 2012, at the City of Edmonton, in the Province of Alberta.

Patricia Mowbrey, 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: STROMIGA INC