



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 863/11

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 4, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9977025	11505 105 AVENUE NW	Plan: 0020052 Block: 14 Lot: 148A	\$1,027,000	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:

Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Luis Delgado, Assessor, City of Edmonton
Melissa Zayac, Assessor, City of Edmonton

PRELIMINARY MATTERS

1. Upon questioning by the Presiding Officer, the parties indicated that they had no objection to the composition of the Board. In addition, the Board members indicated they had no bias on the file.

BACKGROUND

2. The subject property is a 6,798 square foot (sf) warehouse located at 11505 105 Avenue NW in the Queen Mary Park neighborhood. It has an effective year built of 1960. The lot size is 19,339sf with site coverage of 35%.

ISSUES:

- a. Is the subject property assessment correct?
- b. Is the subject property equitably assessed?

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

3. The Complainant filed this complaint on the basis that the subject property assessment of \$1,027,000 is incorrect and inequitable. The Complainant argued that the subject assessment is incorrect and that the direct sales approach indicates the property value should be \$822,500. In support of this argument, the Complainant presented three sales comparables that have an average time adjusted sale price of \$123.76/sf and a median time adjusted sale price of \$120.64/sf. The subject is assessed \$151.07/sf.
4. The Complainant also argued that assessments on similar competing properties indicate an equitable value of \$795,000 for the subject. In support of this argument, the Complainant presented six equity comparables that have an average assessment per square foot of \$118.02 and a median assessment per square foot of \$116.79. The comparables are similar to the subject in age, site coverage and building size. Comparable #1 is located in the same market area and is assessed \$144.77/sf.
5. In summary, the Complainant requested the Board to reduce the assessment to \$822,500 or \$121.00 per square foot.

POSITION OF THE RESPONDENT

6. The Respondent submitted that the subject property is assessed correctly and equitably. The Respondent explained that the subject property has excess land and is located in the downtown market area where the land values are higher than in some of the outlying areas. The downtown market area is bounded on the north by 107 Avenue, on the west by 124 Street, on the east by 97 Street and on the south by the North Saskatchewan River. The Respondent stressed the importance of location, noting that none of the Complainant's sales comparables are located in the downtown market area.
7. The Respondent provided documentary evidence that the Complainant's sales comparable #3 is assessed in poor condition and is not a good comparable.
8. The Respondent presented six sales comparable that range in sale price from \$126.51/sf to \$158.65/sf. Comparable sales #1, #2, #3 and #5 are located in the downtown and sold for \$137.83/sf, \$151.20/sf, \$126.51/sf and \$158.65 respectively. The Respondent pointed out that all four comparables have high site coverage compared to the subject which tends to reduce the sale price per square foot. Sales comparables #1, #3 and #5 are similar to the subject in location, age and building size.
9. In summary, the Respondent requested the Board to confirm the assessment at \$1,027,000.

DECISION

10. The property assessment is confirmed at \$1,027,000.

REASONS FOR THE DECISION

11. The board reviewed the evidence and argument of the parties and finds the following.
12. With regard to the first issue, the Board placed little or no weight on the Complainant's three sales comparables because none are located in the same market area of downtown and sale #3 is in fair condition. The Board relied on three of the Respondent's sales comparables that are located in the downtown market area. Sales comparables #1, #3 and #5 are similar in location, age and building size. The site coverage of comparables #1, #3 and #5 is 67%, 60% and 66%. Although these comparables are inferior to the subject property in terms of site coverage, the properties sold for \$137.83/sf, \$126.51/sf and \$158.65/sf. The subject property has site coverage of 35% and is assessed \$151.07/sf.
13. In respect of the second issue, the Board finds no evidence of an inequitable assessment. The only equity comparable put forth by the Complainant that is located in the downtown market area is assessed \$144.77/sf. It is a good comparable in terms of location, age, site coverage and building size. However, the comparable is slightly inferior to the subject property because it has a larger building with some upper office space. The Board finds that there is a reasonable relationship in the assessment of the comparable and assessment of the subject property, given the difference in attributes which affect value.

14. In conclusion, the Board finds the subject assessment correct and equitable.

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: 876680 ALBERTA LTD