



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 865/11

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:
3811445	5604 76 AVENUE NW	Plan: 9221524 Lot: 1A	\$3,815,000	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. 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.

BACKGROUND

2. The subject property is a 39,255 square foot (sf) warehouse located at 5604 76 Avenue NW in the Davies Industrial East neighborhood. The building has an effective year built of 1976 with 37,803 sq ft on the main floor and 1452 sq ft of upper office space. It has site coverage of 36%.

ISSUES

- a. Is the subject property correctly assessed?
- 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

s 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 \$3,815,000 or \$97.19 per sq ft is incorrect and inequitable. The Complainant argued that recent market transactions indicate that the value of the subject property is \$3,258,000. In support of this argument, the Complainant presented six sales comparables that were time adjusted using the City of Edmonton time adjustment factors. The sales comparables have an average sale price of \$92.52 per sq ft and a median sale price of \$82.96 per sq ft.
4. The Complainant also argued that the subject property is inequitably assessed with similar properties and the assessments of similar properties indicate an equitable value for the subject of \$3,532,500. The Complainant presented seven assessment comparables that have an average assessment of \$89.85 per sq ft and a median assessment of \$90.21 per sq ft. The Complainant identified Comparable #4 located at 4604 97 Street NW and Comparable #6 located at 3203 97 Street NW as the best comparables of the group. These

two properties are similar to the subject in age and site coverage. These comparables are assessed \$95.73 per sq ft and \$76.27 per sq ft respectively.

5. In summary, the Complainant requested the Board to reduce the 2011 assessment for the subject property to \$83.00 per square foot.

POSITION OF THE RESPONDENT

6. The Respondent submitted that the subject property assessment of \$3,815,000 is correct and equitable. The Respondent presented four sales comparables that range in sale price from \$93.21 per sq ft to \$118.66 per sq ft. However, the Respondent indicated that Comparable #1 is not a good comparable because the roof required partial replacement at an estimated cost of \$211,000 which the purchaser will absorb. The Respondent also stated that Comparable #4 is not a good comparable because it has excess land. The Respondent relied on the remaining two sales comparables that are slightly older and have higher site coverage than the subject. The properties sold for \$100.36 per sq ft and \$112.15 per sq ft compared with the subject assessment of \$97.19 per sq ft.
7. The Respondent argued that the subject assessment of \$97.19 per sq ft falls within the range of assessments for similar properties. In support of this argument, the Respondent presented eight assessment comparables that are assessed from \$95.56 per sq ft to \$111.92 per sq ft. The Respondent identified the two best assessment comparables as #2, 9527 49 Avenue NW and #3, 9815 45 Avenue NW because the properties are similar to the subject in age, upper office space and site coverage. These properties are assessed at \$95.76 per sq ft and \$97.46 per sq ft respectively.
8. In summary, the Respondent requested the Board to confirm the assessment at \$97.19 per sq ft or \$3,815,000.

DECISION

9. The property assessment is confirmed at \$3,815,000.

REASONS FOR THE DECISION

10. The Board reviewed the Complainant's six sales comparables with respect to the issue of correctness. The Board agrees with the Complainant that #4, located at 3704 93 Street NW and #6, 9815 45 Avenue NW are the best sales comparables because they are similar in site coverage, building area and upper office space. As well, they are located in the southeast quadrant of the city. These two comparables, which have time adjusted sales prices of \$91.52 per sq ft and \$118.52 per sq ft, support the subject assessment of \$97.19 per sq ft when the differences in attributes are taken into consideration. The Board placed less weight on the balance of the comparables because they have large significant upper office space compared to the subject property. The Board understands that upper office space tends to lease at a lower rate per square foot than main floor space as it is considered less valuable in the marketplace and can lower the average sale price per square foot of the total building area.
11. The Board also reviewed the four sales comparables presented by the Respondent and finds two of the comparables to be good indicators of value for the subject. Comparables

#2, located at 5704 92 Street NW and #3, located at 4004 99 Street NW are similar in location, age and total building area and sold for \$100.36 per sq ft and \$112.15 per sq ft respectively which supports the subject assessment. The other two comparables are not similar because one needs roof repair and the other has excess land.

12. In respect of the issue of equity, the Board finds that all of the Complainant's equity comparables have greater sq ft of office space than the subject which diminishes the comparability. The best equity comparable put forth by the Complainant is #4, located at 4604 97 Street NW which is similar in age and site coverage but is larger in building area and upper office space. Taking into consideration the larger building size and the upper office space which would tend to lower the overall assessment per square foot, this comparable, assessed at \$95.73 per sq ft, supports the subject assessment of \$97.19 per sq ft.
13. After reviewing the Respondent's equity comparables, the Board agrees with the Respondent that the two best comparables are #2, located at 9527 49 Avenue NW assessed at \$95.76 per sq ft and #3, 9815 45 Avenue NW assessed at \$97.46 per sq ft which support the subject assessment of \$97.19 per sq ft. The Board placed less weight on the balance of the Respondent's equity comparables as they have no upper office space.
14. The Board finds the subject property 2011 assessment of \$97.19 per sq ft or \$3,815,000 to be correct, fair 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: CU REAL PROPERTY (4) LTD