



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 899/11

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:
8885220	6011 87A STREET NW	Plan: 7821657 Block: 10 Lot: 17R	\$1,699,000	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

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

BACKGROUND

The subject property is a 12,180 sq ft warehouse with an effective year built in 1980 located at 6011 – 87A Street in the Davies Industrial West area, in the City of Edmonton. It has a lot size of 38,320 sq ft and a 32% site coverage.

ISSUE(S)

1. Is the 2011 assessment of the subject property correct?
 - (a) Does the shape of the subject property affect the value?
2. Is the 2011 assessment of the subject property equitable?

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

The position of the Complainant was that the 2011 subject property assessment of \$1,699,000 is incorrect and inequitable.

The Complainant presented 8 sales comparables to support the argument that the assessment was incorrect. The Complainant proposed that using the City of Edmonton's time adjustment factors, the time adjusted sales comparables indicate a value of \$1,583,000 or \$130.00 per sq ft.

The Complainant indicated that sale #1 was an outlier with a time adjusted sales price per sq ft of \$73.88 and could offer no explanation for the low price, and sale #2 was a non- arms length transaction. However, the remaining sales comparables are similar in age, site area, site coverage, size and the time adjusted sales prices range from \$111.24 per sq ft to \$157.98 per sq ft. with an average of \$133.17 per sq ft.

The Complainant introduced the irregular shape of the subject lot and proposed that due to the shape of the lot the value for the subject property required a further downward adjustment from the initially requested \$130.00 per sq ft or \$1,583,000 to \$120.00 per sq ft or \$1,461,500.

The Complainant provided ten equity comparables to support the argument that the subject property is inequitably assessed with similar properties that are of similar age, site area, size and site coverage. Each of the equity comparables had a regular shaped lot except comparable #1 which had an irregular shaped lot and was assessed at \$112.40 per sq ft, a rate at the lower end of the range. The equity comparables ranged from \$101.40 per sq ft to \$150.20 per sq ft with an average assessed rate of \$127.43 per sq ft.

POSITION OF THE RESPONDENT

The position of the Respondent was that the subject property 2011 assessment of \$1,699,000 was correct and equitable.

The Respondent indicated the shape of the lot did not affect the value and no adjustment was warranted. The Respondent indicated the subject had front and rear access and there was adequate site area for a Quonset to be placed adjacent to the building. The Quonset was a temporary structure and is not assessed.

The Respondent provided four time adjusted sales comparables of similar size, and site area. The time adjusted sales prices were between \$107.44 and \$137.48 with an average of \$133.00 per sq ft. The Respondent indicated sale #1 at \$129.26 per sq ft was the best sale as it was located nearest to the subject property and sale #2 at \$107.44 per sq ft was the least similar as it was the oldest and had 2 buildings on the site.

The Respondent also provided nine equity comparables similar to the subject in age, condition, site area, and size. Comparable number eight was the subject and was not considered. Of the remaining eight comparables the assessment per square foot ranged between \$135.48 and \$141.68 of which the average was \$137.55.

DECISION

The Decision of the Board is to reduce the 2011 Assessment for the subject property from \$1,699,000 or \$139.00 per sq ft to \$1,583,000 or \$130.00 per sq ft. with no further downward adjustment for an irregular lot shape.

Roll Number	Original Assessment	New Assessment
8885220	\$1,699,000	\$1,583,000

REASONS FOR THE DECISION

The Board reviewed the Complainant's and Respondent's evidence.

The Board agreed with the Respondent that the subject had adequate front and rear access and that the site area was large enough for the operation and to construct a temporary Quonset adjacent to the building. The Board finds that the shape and size of the subject lot does not warrant a negative adjustment.

The Board reviewed the Complainant's sales comparables, noting #1 was an outlier without explanation and #2 was a non arms-length transaction and therefore will not be considered by the Board. Comparable sales # 3 to 8 are considered reasonably similar in age, site area, size and site coverage and range from \$111.24 per sq ft to \$157.98 per sq ft with an average time adjusted sales price of \$133.17 per sq ft.

The Board considered the Complainants equity comparables and noted that the Complainant had pointed out comparable #1 was at a lower assessment for the reason it was an irregular shaped lot. The Complainants equity evidence indicated on the location map a site that was somewhat irregular but no indication of a negative adjustment to reflect an irregular shaped lot.

The Complainants equity comparables were similar to the subject in location, age, site area, site coverage, size and a ranged in assessments from \$101.40 per sq ft to \$150.20 per sq ft with an average assessment of \$127.43 per sq ft.

The Board reviewed the Respondents sales comparables and noted the average time adjusted sales price, for the four comparables, was \$127.18 per sq ft for total building area. The Respondent had pointed out to the Board that sales comparable #1 was most similar and had a time adjusted sales price of \$129.26 per sq ft.

The Respondents equity comparables were similar to the subject in location, age, condition, site area, size and site coverage, excluding comparable #8 as it was the subject, ranged from \$134.99 per sq ft to \$141.68 per sq ft with an average of \$136.96 per sq ft.

The Board considered the Complainants sales comparables average of \$133.17 per sq ft, the equity comparables average of \$127.43 per sq ft, the Respondents sales comparables average of \$129.26 per sq ft, and the equity comparables average of \$136.96 and after careful consideration placed greatest weight on the sales comparables.

The Board noted the Complainants sales comparable average of \$133.17 per sq ft supported the Complainants requested value of \$130.00 per sq ft. The Board also noted that the Respondents best sales comparable #1 had a time adjusted sales price of \$129.26 per sq ft and that the average of the Respondents time adjusted sales comparables was \$127.18, which supported the Complainant's requested value of \$130.00

The Board finds that the 2011 assessment for the subject property be reduced to \$130.00 per sq ft or \$1,583,000 with no negative adjustment for an irregular shaped lot.

The Board finds the 2011 Assessment for the subject of \$1,583,000 is fair and equitable.

DISSENTING OPINION AND REASONS

There were no dissenting opinions.

Dated this 2nd day of May, 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: SIKIC HOLDINGS INC