



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 904/11

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:
9541905	7220 48 STREET NW	Plan: 2214HW Block: F Lot: 7	\$2,791,000	Annual New	2011

#### Before:

James Fleming, Presiding Officer  
James Wall, Board Member  
Jasbeer Singh, Board Member

**Board Officer:** Jason Morris

#### Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

#### Persons Appearing on behalf of Respondent:

Bonnie Lantz, Assessor, City of Edmonton  
Mary-Alice Nagy, Assessor, City of Edmonton  
Stephen LeRoux, 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 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. When asked by the Presiding Officer, the parties indicated no objection to the composition of the CARB and the CARB members indicated no bias in the matters before the Board.

## **BACKGROUND**

3. The property is a 15,200 square foot single floor Industrial building built in 2007. The site is just over 47,000 square feet and the site coverage is 32%. The property is zoned IB (Industrial Business), and it is valued on the Direct Sales Comparison method.

## **ISSUE(S)**

4. The Complaint form listed 8 issues, but in the hearing, the Complainant identified 2 issues remaining
5. The assessed value is in excess of the market value.
6. The assessed value is not fair and equitable when compared with similar properties.

## **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**

7. The Complainant provided an evidence package, comprised of 51 pages (C1).
8. The Complainant provided 5 Sales Comparables in support of a value of \$2,553,500 (C1 page 8). All of these comparables were in the same quadrant of the city as the subject, and very similar in size (within 2,000 square feet for the largest). None of the Comparables had

any second level space. The subject had the highest site coverage of 32%. The Complainant noted that their analysis produced a rate of \$168.00 per square foot, slightly above the average and median numbers produced by the comparables.

9. The Complainant provided 7 Equity Comparables (C1, page 9) in support of a value of \$2,477,500 which ranged in size from 14,400 to 19,800 square feet. all of which were located in the same quadrant of the city as the subject. All of the comparables were built prior to 2004, and the site coverage of the comparables ranged from 27% to 34%. The Complainant noted that their request was for \$168.00 per square foot, slightly above the average and median numbers produced by the comparables. The Complainant noted that their analysis produced a rate of \$163.00 per square foot, right in the middle of the average and the median numbers produced by the comparables.
10. The Complainant indicated their request was for \$2,477,500, the value obtained from the analysis of the Equity Comparables

### **POSITION OF THE RESPONDENT**

11. The Respondent provided an evidence package, comprised of 27 pages (R1).
12. The Respondent provided 7 Sales Comparables to support the assessed value (R1, page 18), noting that 3 of their comparables were also used by the Complainant. In analyzing the Complainant's sales, they observed that all of the comparables, including the 3 common comparables, required upward adjustment for age and in some cases size. No evidence was provided to support the magnitude of any adjustment.
13. The Respondent provided 7 Equity Comparables (R1 page 27) in support of the assessed value. A single comparable was shared by both parties, and the "raw" value supported the assessment although the property was older, and the site coverage (28%) was less than the subject. The Equity Comparables ranged in value from \$178.16 to \$207.43 per square foot, and the comparables ranged between 4% and 12% less in site coverage than the subject. This would require an upward adjustment,
14. The Respondent concluded by saying that the Sales and Equity Comparables both supported the assessed value, and they asked that the assessment be confirmed.

### **DECISION**

15. The Complaint is denied and the assessment is confirmed as noted below.

Roll Number	Original Assessment	New Assessment
9541905	\$2,791,000	\$2,791,000

### **REASONS FOR THE DECISION**

16. The CARB reviewed the sales comparables of the Complainant (C1 page 8). They noted that the age of the sales comparables ranged from 1997 to 2001. In the past, the CARB has observed that age of the property tends to be a more significant attribute for newer properties. The CARB found that the Complainant's 3 comparables most similar in size, #1, #4 & #5

had an “unadjusted” average assessment of approximately \$175.00 which is within 5% of the assessed value. Were the properties to be adjusted for age, even though there was no quantifiable data on the magnitude of the adjustment required, it is clear that any increase would bring the value closer to the City’s assessment.

17. Turning to the Complainant’s Equity Comparables, the CARB notes that the higher values tend to come from the newer comparables, and as well, the comparable common to both parties supports the assessment.
18. Accordingly, the best comparables from the Complainant’s sales and the common equity comparable from both parties all support the current assessment and so the CARB does not find sufficient evidence to disturb the assessment.

### **DISSENTING OPINION AND REASONS**

19. There was no dissenting opinion.

Dated this 10<sup>th</sup> day of May, 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: PARAGON INVESTMENTS LTD