



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 910/11

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 17, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9509662	6703 82 Avenue NW	Plan: 5602KS Block: 17 Lot: C	\$2,235,000	Annual New	2011

Before:

Patricia Mowbrey, Presiding Officer
George Zaharia, Board Member
Howard Worrell, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Walid Melhem

Persons Appearing on behalf of Respondent:

Joel Schmaus, Assessor

PROCEDURAL MATTERS

[1] Upon questioning by the Presiding Officer, the parties indicated there was no objection to the composition of the Board and the Board members indicated no bias with respect to the file.

PRELIMINARY MATTERS

[2] There were no preliminary matters.

BACKGROUND

[3] The subject property is comprised of four small warehouse buildings with a total of 14,355 square feet, constructed between 1959 and 1962 and is located at 6703 – 82 Avenue, in the Gainer Industrial subdivision of the City of Edmonton.

ISSUE(S)

[4] The issues are:

- i. Is the subject property's 2011 assessment correct?
- ii. Is the subject property's 2011 assessment equitable?

LEGISLATION

[5] The *Municipal Government Act, RSA 2000, c M-26* reads;

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

[6] The Complainant's position was that the 2011 assessment of \$2,235,000 for the subject property was incorrect and inequitable.

[7] The Complainant presented evidence (C-1, page 8), consisting of four sales comparables to support the argument that the assessment was incorrect. The Complainant used the City of Edmonton's time adjustment factors, and stated the time-adjusted sales prices indicate a requested value of \$122.00 per sq. ft. for a total assessment of \$1,751,000.

[8] The Complainant submitted that the sales comparables were located in the southeast industrial area of the City, as is the subject, and are similar in age, site area, site coverage and size. The complainant further explained that comparable #1 has upper office development of 2,345 square feet, and has two buildings on the site. The remaining comparables have one building on the respective sites. The time-adjusted sales prices for the sales comparables ranged from \$116.40 to \$128.06 per sq. ft. resulting in an average of \$122.00 per sq. ft.

[9] The Complainant presented nine equity comparables (C-1, page 9), and indicated that all the comparables were located in the southeast industrial area, and are on interior roads similar to the subject property. The comparables were similar in site area, site coverage, size and had one building on each site, except comparable #5 and #9 that had three buildings and #8 that had two buildings. The Complainant explained the best comparable was #2 as it is located closest to the subject, and is assessed at \$115.10 per sq ft. The equity comparables ranged in assessment from \$103.12 to \$145.36 per sq. ft. resulting in an average of \$120.64 per sq. ft.

[10] The Complainant requested the Board to reduce the 2011 assessment of the subject property from \$2,235,000 to \$1,650,500, based on the equity comparables.

POSITION OF THE RESPONDENT

[11] The Respondent's position was that the subject property's 2011 assessment of \$2,235,000 was correct and equitable.

[12] The Respondent provided in evidence (R-1, page 19), an assessment detail report for the Complainant's sale comparable # 2, to indicate the size reported at the sale date of Sept 29, 2009 was 6,817 square ft. and not 7,532 square feet, which then changed the time adjusted sale price per sq. ft. to \$141.56 from the \$128.06 submitted by the Complainant.

[13] The Respondent provided in evidence (R-1, pages 20, 21 and 22), assessment detail reports for the Complainant's equity comparable #5, #8 and #9. A 10% negative adjustment had been applied to comparable #5 for configuration of building 3; there was a size reference for both buildings on comparable #8; and on comparable #9 it was indicated that building #3 was assessed on the Cost Approach as it does not have concrete floors, nor heat, and its inclusion was diluting the sale price per square foot.

[14] The Respondent provided in evidence (R-1, page 23), six time-adjusted sales comparables located in the southeast industrial area of the City, with condition and site coverage similar to the subject, four comparables have upper floor finish and all comparables have one building on the site except #2 which has two buildings. The Respondent indicated that the best comparable is #2 as it has two buildings on the site and is closest in age. The sales comparables time-adjusted sales prices range from \$153.65 per sq. ft. to \$173.64 per sq. ft. with an average of \$159.76 per sq. ft.

[15] The Respondent presented six equity comparables (R-1, page 30), similar to the subject in condition, site coverage, size, number of buildings (two) on each site with a range of assessments from \$141.86 to \$170.30 per sq. ft. resulting in an average of \$156.47 per sq. ft.

[16] The Respondent requested the Board to confirm the 2011 assessment of the subject property at \$2,235,000.

DECISION

[17] The Decision of the Board is to reduce the 2011 assessment for the subject property from \$2,235,000 to \$1,751,000.

REASONS FOR THE DECISION

[18] The Board placed more weight on the Complainant's sales comparables. The Board noted that the comparables were located on interior roads in the southeast industrial area, similar to the subject. They were also similar in age, site size, site coverage and building size. Comparable #1 had two buildings on the property, comparables #2, #3 and #4 each were one-building properties. The time-adjusted sales prices for the comparables ranged from \$116.40 per sq. ft. to \$123.54 per sq. ft. with an average of \$121.84 per sq. ft., considerably less than the \$155.69 per sq. ft. assessment of the subject property.

[19] The Board also placed more weight on the Complainant's equity comparables. The Board noted the Complainant's nine equity comparables were located on interior roads and in the southeast industrial area of the City as is the subject. They are similar in age, site area, site coverage, and size. Comparable #9 was not considered since building #3 had no concrete floor and no heat. The assessments per sq. ft. for the equity comparables #1 to #8 ranged from \$113.84 to \$145.36 per sq. ft. for an average assessment of \$122.83 per sq. ft., considerably less than the \$155.69 per sq. ft. assessment of the subject property.

[20] The Board placed less weight on the Respondent's six sales comparables since three were located on major roads, the comparables were all on average 10 years newer than the subject, some of the comparables had upper office development whereas the subject had none, and comparable #4 had higher site coverage 41%. The Respondent had indicated to the Board that Sale #2 was the best comparable but the Board noted it was dissimilar to the subject as it had upper office development and fronts onto a major road.

[21] The Board placed less weight on the Respondent's six equity comparables noting that comparable #4 was located on a major road while the subject is on an interior road, and that the comparables are 10 to 15 years newer than the subject.

[22] Having placed more weight on the Complainant's sales comparables with an average time-adjusted sale price of \$121.84 per sq. ft., and the Complainant's equity comparables with an average of \$122.83 per sq. ft. (adjusted for the removal of comparable #9), both of which support the Complainant's request for a reduced assessment, the Board is persuaded that a reduced assessment at \$122 per square foot for a total of \$1,751,500 is correct, fair and equitable.

DISSENTING OPINION AND REASONS

[23] There was no dissenting opinion.

Dated this 14th 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: IND-COM HOLDINGS LTD