

NOTICE OF DECISION NO. 0098 922/11

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 (the Board) from a hearing held on April 23, 2012, respecting a complaint for:

| Roll Number | Municipal Address | Legal Description | Assessed Value | Assessment Type | Assessment Notice for: |
|--------------------|--------------------------|-----------------------------------|-----------------------|------------------------|-------------------------------|
| 10014338 | 4804 55 Avenue NW | Plan: 0325867 Block: 18 Lot: 1 | \$20,100,000 | Annual New | 2011 |

Before:

Hatem Naboulsi, Presiding Officer
Brian Frost, Board Member
Reg Pointe, Board Member

Board Officer: Jodi Keil

Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Marty Carpentier, Assessor, City of Edmonton
Steve Lutes, Legal Counsel, City of Edmonton

PRELIMINARY MATTERS

- [1] When asked by the Presiding Officer, the parties indicated no objection to the composition of the Board. The Board members indicated they had no bias in the matters before them.

BACKGROUND

- [2] The subject property, a 521,081 sq ft site, contains two industrial warehouse buildings of 54,280 and 140,000 sq ft built in 2006. It is located at 4804 55 Avenue NW in the

Pylypow Industrial subdivision. The property has site coverage of 37%. The smaller building fronts upon 50 Street NW. Neither building contains upper floor space. The subject property is assessed at \$103.46/ sq ft, or \$20,100,000, based upon the direct sales comparison approach.

ISSUE

[3] The Board considered the following issue:

1. Is the 2011 Assessment of the subject property too high?

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

[4] The Complainant requested the Board revise the Assessment to \$15,542,500. In support, five sales comparables were provided, (C-1, pg 8). These comparables had time adjusted sales prices (TASP) ranging from \$69.41/sq ft to \$84.55/sq ft and averaged \$75.83/sq ft. The median was \$75.11/sq ft. The comparables ranged in size from 163,368 sq ft to 399,987 sq ft with a site coverage range of 35% to 56% and an average of 45%. They were built between 1996 and 2007.

POSITION OF THE RESPONDENT

[5] The Respondent requested the Board confirm the 2011 Assessment. No evidence was provided to the Board as the disclosure deadline was missed.

[6] In response to the Complainant's evidence, the Respondent stated there are two buildings in average condition on the subject site, while only one of the Complainant's sales contained more than one building. This sale, #4, should not be considered comparable as it was located in a different market area. The Respondent stated two of the Complainant's sales were not comparable as their coverages were 17% and 19% percentage points higher than the subject, rendering them of little value.

[7] The Respondent pointed out that the onus was on the Complainant to prove the assessment wrong.

DECISION

[8] The Board's decision is to confirm the 2011 assessment of \$20,100,000.

REASONS FOR THE DECISION

[9] The Board reviewed and considered the Complainant's sales on an individual basis and in doing so gave consideration to the Respondent's comments as they related thereto. The following is a summary of those sales:

| | # Bldgs. | Address | Age | size (sq ft) | Site % | TASP(sq ft) |
|---------|----------|---------------|------|--------------|------------|-------------|
| Sale 1 | 1 | 12810 170 St | 2007 | 399,987 | 39% | \$69.41 |
| Sale 2 | 1 | 2103 64 Ave | 2001 | 261,535 | 41% | \$67.46 |
| Sale 3 | 1 | 15423 131 Ave | 2005 | 244,127 | 56% | \$75.11 |
| Sale 4 | 2 | 10203 184 St | 1996 | 169,477 | 35% | \$84.55 |
| Sale 5 | 1 | 4103 84 Ave | 1998 | 163,368 | 54% | \$80.20 |
| Subject | 2 | 4804 55 Ave | 2006 | 194,284 | 37% | |
| | | | | | Assessment | \$103.46 |

[10] The Boards finds that none of the comparables are comparable to the subject for the following reasons:

- i. Sale 1 contains a 399,987 sq ft single building in the northwest quadrant of the City. The Board finds this sale is not comparable, as it is comprised of only one building, twice the size of the subject property, and is located in a different market area.
- ii. Sale 2 contains a 261,535 sq ft single building. The Board holds that this is not a reliable or comparable sale because it is one building 35% larger than the subject and 5 years older.
- iii. Sale 3 is a single building in the northwest quadrant and has 56% site coverage in comparison to the subject's 37%. It is 20% larger than the subject. The Board finds this is not a comparable sale due to its being one building, its location, its significant site coverage differential and its building size.
- iv. Sale 4 contains two buildings that have a total square footage of 169,477 sq ft, compared to the subject's 194,284 sq ft. It is located in the northwest quadrant of the City while the subject is in the southeast. It is 10 years older than the subject. The Board finds this is not a good comparable sale due to its size, location and age.
- v. Sale 5 contains a single 163,368 sq ft building, with 54% site coverage, compared to the subject's 37%. Comparable five is eight years older than the subject. The Board finds this is not a good comparable as it is a much older single building, 16% smaller than the subject, with significantly greater site coverage.

[11] The Board could find no justification to reduce the assessment to \$80/sq ft as requested by the Complainant. The Board accepts the Respondent's position that multi building properties should be compared with one another to best consider value. Accordingly it is the Board's decision to confirm the 2011 assessment of \$20,100,000.

Dated this 14th day of May, 2012, at the City of Edmonton, in the Province of Alberta.

Hatem Naboulsi, 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: 5503 50TH ST & 5522 48TH ST (ARI) LTD