

**NOTICE OF DECISION      NO. 0098 923/11**

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:

<b>Roll Number</b>	<b>Municipal Address</b>	<b>Legal Description</b>	<b>Assessed Value</b>	<b>Assessment Type</b>	<b>Assessment Notice for:</b>
9947840	4848 92 Avenue NW	Plan: 7822340 Block: 5 Lot: 8, Plan: 7822340 Block: 5 Lot: 9, Plan: 7822340 Block: 5 Lot: 10, Plan: 7822340 Block: 5 Lot: 7	\$12,609,500	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:**

Cherie Skolney, Assessor, City of Edmonton  
Stephen Leroux, Assessor, 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 matter before them.

## **BACKGROUND**

- [2] The subject property is a warehouse located in the Eastgate Business Park at 4848 92 Avenue NW. The 417,317 sq ft property contains a single 130,134 sq ft industrial warehouse, constructed in 1998 and covering 31% of the site. The subject property has 5,184 sq ft of office space on the main floor, and 1,200 sq ft of upper office space. The 2011 assessment for this property is \$12,609,500, or \$96.90 per sq ft.

## **ISSUE**

- [3] The Board considered the following issue:

1. Is the 2011 assessment of the subject property in excess of its market value?

## **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 took the position that the 2011 assessment is too high and should be reduced to \$85.00 per sq ft, or \$11,061,000. In support, the Complainant provided four sales comparables (C-1, page 8) with time adjusted sales prices ranging from \$67.46 per sq ft to \$84.55 per sq ft, averaging \$76.83 per sq ft. The sales comparables ranged in size from 163,368 sq ft to 261,535 sq ft with site coverage ranging from 35% to 56%, averaging 46%. The Complainant's comparables were built between 1996 and 2005.
- [5] In rebuttal (C-2), the Complainant pointed out that three of the Respondent's comparable sales were smaller than the subject while the remaining two comparables were used by both parties.

## **POSITION OF THE RESPONDENT**

- [6] The Respondent took the position that the 2011 assessment is correct and should be confirmed. In support of its argument, the Respondent outlined five sales comparables (R-1, page 18) with time adjusted sales prices ranging from \$81.27 per sq ft to \$147.56 per sq ft. The Respondent's comparables averaged \$110.96 per sq ft. The warehouses located on the properties ranged in size from 74,801 sq ft to 158,575 sq ft with site coverage ranging from 34% to 54% and averaging 40%. The comparables were built between 1996 and 2007.
- [7] The Respondent's direct sales comparables 3 and 5 were the same as the Complainant's comparables 3 and 1.
- [8] The Respondent also provided four equity comparables (R-1, page 24), ranging from \$100.78 per sq ft to \$109.94 per sq ft (\$104.28 per sq ft average). The warehouses located on the comparable properties ranged in size from 97,177 sq ft to 141,638 sq ft. The site coverage ranged from 34% to 39% and averaged 36%.

## **DECISION**

- [9] The Board's decision is to confirm the 2011 assessment of \$12,609,500.

## **REASONS FOR THE DECISION**

- [10] The Board reviewed the Complainant's position, and in particular its sales comparables. The Board is not persuaded by the Complainant's comparable sales 2 and 4. Both comparables have higher site coverage and are approximately double the size of the subject. Further, these comparables are newer than the subject property. The Complainant's comparable sales number 1 and 3 were also relied upon by the Respondent.
- [11] The Board notes that the Complainant did not provide a basis for the requested \$85.00 per sq ft. The Complainant's sales comparables do not support the requested assessment amount, as the average of all the sales provided by the Complainant is \$76.83 per sq ft.
- [12] The Board finds that the Respondent's comparable sale 4, with a time adjusted sale price of \$125.32 per sq ft, is most similar to the subject notwithstanding its age and location in the northwest industrial, as this comparable is similar in size and site coverage. The Board finds that this comparable sale, when adjusted downwards to account for its age, offers full support for the subject's assessment when compared to the \$96.90 per sq ft.
- [13] The Board also considers the Respondent's comparable sales 1 and 5 to be instructive as they are in the same southeast location and, notwithstanding the size and site coverage differential relative to the subject, are the same age. These properties have an average value of \$98.66 per sq ft. The Board finds that these two comparables fully support the subject's assessment at \$96.90 per sq ft.

[14] The Board also finds the Respondent's equity comparables fully support the 2011 assessment.

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

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Hatem Naboulsi, 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: IPEX Inc.