

**NOTICE OF DECISION NO. 0098 925/11**

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>
9552993	4504 81 Avenue NW	Plan: 7520086 Block: 3 Lot: 6, Plan: 7520086 Block: 3 Lot: 1	\$7,889,500	Annual New	2011

**Before:**

Hatem Naboulsi, Presiding Officer  
Reg Pointe, Board Member  
Brian Frost, 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 matters before them.

## **BACKGROUND**

- [2] The subject property is a warehouse property in average condition located at 4504 - 81 Avenue NW. The property contains three buildings comprising a total of 77,510 sq ft with 43% site coverage. The buildings were built in 1976. One building contains 1,448 sq ft upper office space, whereas the remaining buildings consist of main floor space alone. The 2011 Assessment is \$101.79/sq ft.

## **ISSUES**

- [3] The Board considered the following issues:
- a. Is the 2011 Assessment correct?
  - b. Is the 2011 Assessment of the subject property fair and 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**

- [4] It is the position of the Complainant that the assessment is too high based on an array of sales comparables (C-1, pg 8) and equity comparables (C-1, pg 9).
- [5] In support, the Complainant provided four sales comparables with time adjusted sales prices ranging from \$70.01/sq ft to \$108.83/sq ft and averaged \$86.55/sq ft. The Complainant noted that the median of these comparables was \$83.68/sq ft and it is on that basis that the Complainant suggested the appropriate assessment using the direct sales comparison approach should be \$85.00/sq ft, or \$6,588,000.
- [6] The Complainant also provided six equity comparables, ranging between \$79.70/ sq ft and \$87.81/sq ft and averaging \$82.14/sq ft. The comparables had a median of \$80.41/sq ft. The comparables' site coverage ranged from 38% to 45% and averaged 41%, and the ages of the properties ranged from 1972 to 1978. The Complainant argued that his equitable assessments supported a reduced assessment of \$81.00/sq ft, or \$6,278,000.

- [7] Based upon the direct sales comparables, the Complainant requested a revised assessment of \$85.00/sq ft, or \$6,278,000. The Complainant also presented evidence that the assessment be revised to \$81.00/sq ft in accordance with the equitable comparables presented. The Complainant requested that the Board accept the lesser assessment value, based upon *Bramalea vs. British Columbia (British Columbia (Assessor for Area 9 – Vancouver) v. Bramalea Ltd., 1990 Canlii 284 (CA))*.
- [8] In rebuttal the Complainant noted that, of the five sales comparables relied upon by the Respondent, two are located on a major roadway, two are significantly newer (22 years), and one is much smaller in size.

### **POSITION OF THE RESPONDENT**

- [9] The Respondent requested that the Board confirm the 2011 Assessment. In support, five sales comparables (R-1, pg 23) and four equity comparables (R-1, pg 29) were provided.
- [10] The Respondent stated its direct sales comparables were in full support of the assessment of \$103.49/sq ft. The direct sales comparables' site coverage ranged from 36% to 54% to the subject's 43%. The comparables had time adjusted sales prices that ranged from \$81.27/sq ft to \$124.68/sq ft as compared to the subject's \$103.49/sq ft. Finally, these comparables were built between 1973 and 1998.
- [11] The Respondent also provided four equity comparables, which the Respondent argued fully supported the assessed value of the subject property. The Respondent's equity comparables were built between 1979 and 1985, with site coverage ranging from 38% to 44% versus the subject's 43%. The comparable assessments ranged between \$90.28/sq ft and \$104.24/sq ft versus the subject's 103.49q ft.
- [12] The Respondent stated the onus is on the Complainant to prove the assessment is incorrect.
- [13] The Respondent requested that the Board confirm the 2011 Assessment.

### **DECISION**

- [14] It is the Board's decision to confirm the 2011 assessment of \$7,889,500.

### **REASONS FOR THE DECISION**

- [15] The Board considered the multi-building nature of the subject property. The Board accepts the Respondent's position that multi-building properties should be compared with one another to best consider value.
- [16] Three of the Complainant's four sales comparables are comprised of more than one building. The Board does not find comparable #1 instructive as it is a *post facto* sale. The Boards finds that comparable #2 is not applicable in this instance, as it has much more upper office space and site coverage of 52%, compared to the subject property's

site coverage of 43%. The Complainant's sales comparable #4 was also used by the Respondent (sales comparable #1). Further, these two comparables have Time Adjusted Sale Prices (TASP) of \$70.01/sq ft and \$108.83/sq ft, for an average of \$89.42/sq ft, which does not support the Complainant's requested assessment of \$85.00/sq ft.

- [17] Two of the Complainant's six equity comparables have more than one building on site. These comparables have assessment values of \$85.06/sq ft and \$87.81/sq ft, and an average of \$86.44/sq ft. The Board finds that these two comparables, and in particular, their average assessment per square foot, do not support the Complainant's request to reduce the assessment to \$81.00/sq ft.
- [18] The Board finds that the Respondent's sales comparables #1, #2 and #3 are most comparable to the subject, as they are similar in age and site coverage. Comparable #1 was also relied upon by the Complainant (despite then being distinguished in the Complainant's rebuttal.) These sales have TASP's ranging from \$109.39/sq ft to \$124.68/sq ft, for an average of \$115.80/sq ft. The Board finds that this supports the assessment of \$101.79/sq ft.
- [19] The Board finds that three out of four of the Respondent's equity comparables are similar to the subject. Comparable #3 is distinguishable because it has much more upper office space than the subject property. The remaining comparable assessments range from \$101.37/sq ft to \$104.24/sq ft, with an average of \$102.35/sq ft. Given the subject property is assessed at \$101.79/sq ft, these comparables support the assessment.
- [18] Based upon the above reasons, the Complainant failed to persuade the Board that, on a balance of probabilities, the 2011 Assessment is incorrect.

### **DISSENTING OPINION AND REASONS**

- [19] There was no dissenting opinion.

Dated this 17<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: SREIT (NUQUEST EDMONTON) LTD.