

**NOTICE OF DECISION      NO. 0098 926/11**

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>
9966518	9345 49 Street NW	Plan: 7622073 Block: 4 Lot: 7, Plan: 7622073 Block: 4 Lot: 8	\$9,529,500	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 they had 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 Eastgate Business Park at 9345 - 49 Street NW. There are three buildings located on the property, built in 1978, 1988 and 1998. The total size of the subject property is 207,894 sq ft. The buildings comprise 93,811 sq ft, with 43% site coverage. Each building is rated in average condition and building 2 is reduced by 10%, based upon its configuration. In 2011, the subject property was assessed at \$9,529,500 (\$101.58/sq ft) using the direct sales comparison approach.

## **ISSUE**

- [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 six sales comparables with time adjusted sales prices ranging from \$60.45/sq ft to \$167.03/sq ft and averaged \$95.09/sq ft. The Complainant noted that the median of these comparables was \$78.57/sq ft and it is on that basis that the Complainant suggested the appropriate assessment using the direct sales comparison approach should be \$76.00/sq ft, or \$7,129,500.
- [6] The Complainant also provided eight equity comparables, ranging between \$71.64/ sq ft and \$99.51/sq ft and averaging \$86.76/sq ft. The comparables also had a median of \$90.09/sq ft. The comparables' site coverage ranged from 35% to 50% and averaged 45%, while the ages of the properties ranged from 1973 to 2001. The Complainant argued

that his equitable assessments supported a reduced assessment of \$89.00/sq ft, or \$8,349,000.

- [7] The Complainant requested a revised assessment of \$76.00/sq ft, or \$7,129,500, based upon the direct sales comparables provided. The Complainant also presented equitable comparables that indicated that the assessment be revised to \$89.00/sq ft. 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))*.

### **POSITION OF THE RESPONDENT**

- [8] The Respondent requested that the Board confirm the 2011 Assessment. In support, six sales comparables (R-1, pg 27) and six equity comparables (R-1, pg 34) were provided.
- [9] The Respondent stated its direct sales comparables were in full support of the assessment of \$101.58/sq ft. The direct sales comparables' site coverage ranged from 34% to 42% for an average of 37.16%. The comparables had time adjusted sales prices that ranged from \$93.21/sq ft to \$147.66/sq ft and averaged \$117.50/ sq ft. Finally, these comparables were built between 1974 and 2007.
- [10] The Respondent also provided equity comparables, which the Respondent argued fully supported the assessed value of the subject property. The Respondent's equity comparables were built between 1976 and 1998, with site coverage ranging from 32% to 56% and averaged 40%. The comparable assessments ranged between \$98.88/sq ft and \$115.42/sq ft and averaged \$105.23/sq ft.
- [11] The Respondent stated the onus is on the Complainant to prove the assessment is incorrect.

### **DECISION**

- [12] The Board's decision is to confirm the 2011 assessment of \$9,529,500.

### **REASONS FOR THE DECISION**

- [13] The Board considered the subject's multi building nature and the varying configurations therein, which resulted in a 10% adjustment to one building's assessment. The Board accepts the Respondent's position that multi building properties should be compared with one another to best consider value.
- [14] Two of the Complainant's six sales comparables comprise more than one building. The Complainant's sales comparable #5, while a multiple building property, is not comparable to the subject property as it differs in age and site coverage. Further, this comparable has double the upper office space of the subject. The Board finds that the Complainant's second multiple building sales comparable, #6, is not comparable as it is older, smaller and located in a different part of the City.

- [15] Two of the Complainant's eight equity comparables are multi-building properties. The Board finds the Complainant's multi-building equity comparables marginal at best because of their dissimilarities with the subject property. Both comparables are considerably older than the subject property. With an average assessment of \$94.57/sq ft, these comparables do not support the Complainant's requested assessment of \$89.00/sq ft.
- [16] The Board also considered the Respondent's sales comparables. The Board finds the most instructive to be comparable #3, which is similar to the subject property in year built, site coverage, upper floor office space, and is in close proximity to the subject property. The Board finds that comparables #1 and #2 are also comparable in that they are similar in size, site coverage, age and location. The average of these three sales comparables is \$112.93/sq ft, which fully supports the assessment of \$101.58/sq ft.
- [17] Finally, the Board finds that the Respondent's equity comparables support the assessment. The Board considers comparables #1 through #5 to be instructive, with comparable #4 being the best due to its similar size, upper office space and location. The average of these comparables is \$103.20/sq ft. These comparables are all multi-building properties, similar in age and location to the subject property.
- [18] Based upon the above reasons, the Complainant failed to persuade the Board that, on a balance of probabilities, the 2011 Assessment is incorrect.

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: Anita Bentzien-Lichius  
Verena Bentzien