

NOTICE OF DECISION NO. 0098 927/11

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:
9553025	4303 82 Avenue NW	Plan: 7520086 Block: 3 Lot: 3, Plan: 7520086 Block: 3 Lot: 2	\$5,942,000	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:

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 is a two-building warehouse property located at 4303 - 82 Avenue NW. Both warehouses were built in 1979. With 57,001 sq ft, all on the main level, the subject property has 41% site coverage. The 2011 assessment is \$5,942,000 or \$104.25/sq ft.

ISSUES

- [3] The Board considered the following issues:
1. Is the 2011 Assessment correct?
 2. 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 was the position of the Complainant that the property has been assessed too high based on an array of sales comparables (C-1, pg 8) and equity comparables (C-1, pg 9).
- [5] In support of his position, the Complainant provided seven sales comparables with time adjusted sales prices (TASPs) ranging from \$70.01/sq ft to \$124.69/sq ft, which averaged \$92.01/sq ft. The Complainant noted that the median of these comparables was \$91.52/sq ft and it is on that basis that the Complainant argued the direct sales comparison approach resulted in a proper assessment of \$92.00/sq ft, or \$5,244,000.
- [6] The Complainant also provided six equity comparables, ranging between \$74.47/sq ft and \$105.47/sq ft, and averaging \$86.08/sq ft. The comparables also had a median of \$79.37/sq ft. Site coverage for these comparables ranged from 36% to 50% and averaged 45% as compared to the subject's 41%, while the year the properties were built ranged from 1975 to 1981. The Complainant argued that his equitable assessments supported a reduced assessment of \$80.00/sq ft, or \$4,560,000.
- [7] Based upon the *Bramalea vs. British Columbia (British Columbia (Assessor for Area 9 – Vancouver) v. Bramalea Ltd., 1990 Canlii 284 (CA))* decision, the Complainant asked the Board to accept the lesser amount of \$80/ sq ft.

- [8] In rebuttal the Complainant noted that, of the six sales comparables used in the Respondent's argument, one was significantly newer (19 years), and three were located on a major roadway while the subject is in an interior location.

POSITION OF THE RESPONDENT

- [9] The Respondent requested that the Board confirm the 2011 Assessment. In support, six sales comparables (R-1, pg 13) were provided.
- [10] The Respondent stated its direct sales comparables were in full support of the assessment of \$104.24/sq ft. The direct sales comparables' site coverage ranged from 34% to 45%, compared to the subject's 41%. The comparables had time adjusted sales prices that ranged from \$88.63/sq ft to \$124.68/sq ft as compared to the subject's \$104.24/sq ft. These comparables were built between 1973 and 1998.
- [11] The Respondent stated the onus is on the Complainant to prove the assessment is incorrect.

DECISION

- [12] It is the Board's decision to confirm the 2011 assessment of \$5,942,000.

REASONS FOR THE DECISION

- [13] 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.
- [14] Three of the Complainant's seven sales comparables comprised more than one building. Both comparables #1 and #5 are older than the subject property, with a site coverage of 52% and 54% respectively, compared to the subject property's 41% site coverage. These comparables range in value from \$70.01/sq ft to \$92.76/sq ft. Given that the average of the comparables is \$78.33/sq ft, the Complainant has not explained the underlying rationale of requesting \$92.00/sq ft.
- [15] The Board is not convinced by the Complainant's argument that equity calls for the assessment to be reduced to \$80.00/sq ft. Two of the Complainant's six equity comparables are multi-building properties, with assessments of \$99.00/sq ft and \$105.47/sq ft. The Board finds the average of these two comparables, \$102.24/sq ft, actually supports the subject's assessment of \$104.25/sq ft.
- [16] The Board finds that three of the Respondent's sales comparables are multi-building properties. The TASP's of these sales range from \$88.63/sq ft to \$113.34/sq ft, for an average of \$103.79/sq ft. These sales comparables are similar in age, size, location and site coverage to the subject property, and support the assessment at \$104.24/sq ft.

[17] 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 17th 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: SREIT (NUQUEST EDMONTON) LTD.