

**NOTICE OF DECISION      NO. 0098 09/12**

CVG  
1200-10665 JASPER AVENUE  
EDMONTON, AB T5J 3S9

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 (CARB) from a hearing held on May 31, 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>
9569054	4303 69 Avenue NW	Plan: 7923220 Block: 6 Lot: 7	\$2,254,500	Annual New	2012

**Before:**

Dean Sanduga, Presiding Officer  
Jasbeer Singh, Board Member  
Mary Sheldon, Board Member

**Board Officer:** Jason Morris

**Persons Appearing on behalf of Complainant:**

Tom Janzen

**Persons Appearing on behalf of Respondent:**

Joel Schmaus

## **PRELIMINARY MATTERS**

- [1] The parties indicated they had no objection to the composition of the panel, and the Board members indicated that they had no bias to declare with regard to the matter.

## **BACKGROUND**

- [2] The subject property is a office/warehouse building located at municipal address 4303 – 69 Avenue, NW in the Plypow Industrial neighbourhood of southeast Edmonton. The building is approximately 10,600 square feet on a lot of approximately 62,900 square feet. The subject property was assessed on the direct sales method, and its 2012 assessment is \$2,254,500.

## **ISSUE(S)**

- [3] Is the 2012 assessment of the subject property correct, 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] The position of the Complainant is that the subject property assessment of \$2,254,500, or \$211.97 per sq ft, is incorrect and inequitable. The Complainant argued that a review of recent market transactions indicate the value of the subject property is \$1,963,500. In support of the argument, the Complainant submitted eight sales comparables that were time adjusted using the City of Edmonton time adjustment factors (Exhibit C-1, page 1). The time adjusted sale price per square foot of these comparables ranged from \$126.26 to \$193.45. The Complainant advised the Board that his information had been taken from the included Network documents and that, where applicable, the sizes had been adjusted to include second floor or mezzanine space. The Complainant also noted that the assessments per square foot of these comparables ranged from \$125.79 to \$ 187.90.
- [5] The Complainant presented the Board with copy of a 2011 CARB decision concerning the subject property, and advised that five of the eight sales comparables presented at this hearing were the same sales comparables presented at the 2011 hearing. That 2011 Board ordered that the assessment of the subject be reduced to \$1,963,500. The Complainant noted that according to the City of Edmonton's time adjustment chart, there was no change in value over the year. Therefore, the Complainant argued that the value

for the subject ordered by this Board should be the same as the decision of last year's Board. The Complainant submitted further that the three *post facto* sales presented as comparables could be used to demonstrate a trend of no increase in value.

[6] The Complainant pointed out that the subject property is an interior lot, and that the site coverage of the building is 17%. In view of some differences in the characteristics of the sales comparables with the subject, the Complainant submitted that a value of \$1,967,500 for the subject would be correct, fair and equitable.

[7] The Complainant requested that the Board reduce the assessment of the subject to \$1,967,500.

### **POSITION OF THE RESPONDENT**

[8] The Respondent submitted that the assessment of the subject at \$2,254,500 was correct, fair and equitable.

[9] The Respondent noted for the Board that there were differences in the sizes of the comparables presented by the parties and argued that the figures obtained from the Network documents used by the Complainant were unreliable as they differed from City of Edmonton records. As well, the Respondent argued that the Complainant's method of including mezzanine and second floor space in the size calculations of the comparables made the resulting values per square foot unreliable. The Respondent submitted that mezzanine and second floor space is of lesser value than main floor space and to include that space in the overall calculation of space would deflate the value.

[10] The Respondent also pointed out to the Board that there were vast differences in site coverage between the Complainant's comparables and the subject. In particular, the site coverage of the comparables ranged as high as 40% as compared to the 17% site coverage of the subject. As well, the building sizes of the Complainant's comparables were very different from the size of the subject. For example, the Complainant pointed out to the Board that the Complainant's comparable #3 was almost three times larger than the subject in building size. The Respondent argued that these different characteristics resulted in a lower value per square foot for the comparables and therefore made those comparables of little assistance in establishing value for the subject.

[11] The Respondent presented three sales of comparable properties for the consideration of the Board (Exhibit R-1, page 27). Of these, #1 and #2 were the same as sales comparables #1 and #2 used by the Complainant. The Respondent submitted to the Board that sales comparable #2 was of the most assistance in establishing value for the subject as it did not have mezzanine or second floor space, similar to the subject. As well, the Respondent pointed out that this sales comparable #2 was subject to a 10% downward adjustment and that with that adjustment removed, that comparable supported the assessment of the subject. The Respondent pointed out to the Board that his sales comparable #3 was similar to the subject in location, site coverage and size of building and argued that the sale price per square foot of this comparable supported the assessment of the subject.

[12] The Respondent also presented a chart of seven equity comparables which showed assessments per square foot between \$196.53 and \$251.45. The Respondent argued that this supported the assessment of the subject at \$211.97 per square foot.

[13] The Respondent requested that the Board give little weight to the *post facto* sales comparables presented by the Complainant and argued that those sales should not be used to establish value for the subject.

[14] The Respondent requested that the Board confirm the current assessment of the subject at \$2,254,500..

## **DECISION**

[15] The decision of the Board is to confirm the subject property 2012 assessment of \$2,254,500.

## **REASONS FOR THE DECISION**

[16] The Board noted the vast differences in building size and site coverage for the comparables brought forward by the Complainant in comparison to the subject's characteristics. In the opinion of the Board, a comparable with a building size almost three times the building size of the subject is of little assistance in establishing value for the subject. Similarly, comparables with site coverages almost double of that of the subject are of little assistance in establishing value for the subject.

[17] As well, the Board notes that the Complainant adjusted the sizes of those comparables with mezzanine or second floor space to include the sizes of that space. The Board agrees with the submission of the Respondent that the value of that mezzanine or second floor space is less valuable than main floor space and to include the size of that space in the total size is to artificially deflate the value per square foot. Therefore, in the opinion of the Board those comparables presented by the Complainant where that adjustment has been made are of less assistance in establishing value for the subject.

[18] The Board notes that comparable #2, common to both parties, is very similar to the subject, especially in that it does not have any second floor space. The Board accepts the evidence of the Respondent that this comparable is subject to a 10% downward adjustment and, if this adjustment is removed, the time adjusted price per square foot of that comparable supports the assessment of the subject.

[19] Therefore, the Board is of the opinion that the sales and market evidence supplied by the Complainant does not demonstrate that the assessment is incorrect. Furthermore, the sales evidence supplied by the Respondent, in particular, the Respondent's sales comparables #2 and #3 supports the assessment of the subject.

[20] With respect to the previous year's CARB decision presented by the Complainant, the Board notes that each year's assessment is independent of the previous years. .

[21] With respect to the fairness and equity of the current assessment of the subject, the Board notes that the seven assessment comparables presented by the Respondent are all in the same neighbourhood as the subject, are of very comparable age and site coverage and demonstrate a range of values per square foot from \$196.53 to \$251.45. The Board concludes that this range supports the assessment of the subject at \$211.97

[22] The Board finds the subject property 2012 assessment is correct, fair and equitable.

## **DISSENTING OPINION AND REASONS**

[23]        There was no dissenting opinion

Dated this 7<sup>th</sup> day of June, 2012, at the City of Edmonton, in the Province of Alberta.

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Dean Sanduga, 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:    562255 ALBERTA LTD.