



ASSESSMENT REVIEW BOARD

Churchill Building
10019 103 Avenue
Edmonton AB T5J 0G9
Phone: (780) 496-5026

NOTICE OF DECISION NO. 0098 485/11

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 (CARB) from a hearing held on November 15, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10167183	18507 104 Avenue NW	Plan: 0926096 Block: 1 Lot: 11	\$11,821,000	Annual New	2011

Before:

Robert Mowbrey, Presiding Officer
Dale Doan, Board Member
Lillian Lundgren, Board Member

Board Officer:

Annet Adetunji

Persons Appearing on behalf of Complainant:

Chris Buchanan, Altus Group Ltd

Persons Appearing on behalf of Respondent:

Bonnie Lantz, Assessor, City of Edmonton
Stephen Leroux, Assessor, City of Edmonton

PROCEDURAL AND PRELIMINARY MATTERS.

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board advised the parties that the Board had no bias on this file.

Under a preliminary matter, the Respondent advised the Board and the Complainant that the 2011 assessment was amended due to the upper floor finish and the 2011 revised assessment should be \$11,013,500 or \$95.52 per square foot.

BACKGROUND

The subject property is a large warehouse located at 18507 104 Avenue NW. The subject property has an effective year built of 2008 and a total building area of 123,750,000 square feet. The site coverage of the subject property is 34% and the property is assessed at \$11,821,000.

ISSUE

What is the market value of the subject property?

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

The Complainant filed this complaint on the basis that the subject assessment of \$11,821,000 is in excess of the market value. In support of this position, the Complainant presented five sales that have been time adjusted using the City of Edmonton's time adjustment schedule from the date of sale to the valuation date. The sales ranged from \$67.46 to \$84.55 time adjusted selling price per square foot of total building area. The Complainant stated that due to the attributes of the subject property such as age, size, location and site coverage, it has been determined that the indicated value of the subject property is \$85.00 per square foot (Exhibit C-1 page 8).

The Complainant presented seven equity comparables to the Board detailing age, size, condition, and site coverage (Exhibit C-1 page 9). The equity comparables ranged from \$78.31 to \$108.61 assessment per square foot for total leasable building area (Exhibit C-1 page 9). The Complainant advised the Board that based on equity the assessed value per square foot should be \$89.00.

Based on the direct sales approach and backed up with equity comparables, the Complainant requested an assessment value of \$10,098,000.

POSITION OF THE RESPONDENT

The Respondent advised the Board regarding the mass appraisal process that the City of Edmonton utilizes for their warehouse inventory. The Respondent utilizes the direct sales methodology and sales occurring from January 2007 through June 2010 were used in the model development and testing.

Sales were validated by conducting site inspections and interviews, and by reviewing title transfers, sales validation questionnaires, and four data collection sources.

Factors found to affect value in the warehouse inventory were: the location of the property, the size of the lot, the age and condition of the building, the total area of the main floor, developed second floor and mezzanine area.

The most common unit of comparison for industrial purposes is value per square foot of building area. When comparing properties on this basis, it is imperative that the site coverage be a key factor in the comparison.

The Respondent presented four sales comparables to the Board detailing comparables similar in terms of age, site coverage, condition and total building area (Exhibit R-1 page 15). The comparable sales ranged from a time adjusted selling price per total building square foot of \$84.55 to \$147.66 per square foot, which supports the assessment of \$95.52 per square foot.

The Respondent presented nine equity comparables to the Board. The comparables ranged from \$93.03 to \$113.44 assessment per square foot, which supports the subject assessment per square foot of \$95.52.

The Respondent questioned the Complainant to provide the best equity comparable and the Complainant stated #1 is the best equity comparable. Number one equity comparable (10640 184 Street) has an assessment per square foot to total building area of \$106.61, which supports the subject property's assessment of \$95.52.

The Respondent requests the Board to confirm the 2011 revised assessment of \$11,013,500.

DECISION

The decision of the Board is to confirm the 2011 revised assessment of \$11,013,500 as being fair and equitable.

REASONS FOR THE DECISION

The Board found the Respondent's equity comparables to be very persuasive. The ranges of the equity comparables were similar in terms of age, condition, site coverage and size and the average equity assessment per square foot of \$98.85 supports the equity assessment of \$95.52 per square foot for the subject property.

The Board reviewed the Complainant's sales comparables and the Respondent's sales comparables and found the Respondent's sales comparables to be more compelling than the Complainant's sales comparables. The Complainant's sales comparables had two comparables with extremely high site coverages and this would skew the results.

The Board was satisfied that the Complainant did not provide sufficient and compelling evidence to form an opinion as to the incorrectness of the assessment.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 15th day of December, 2011, at the City of Edmonton, in the Province of Alberta.

Robert Mowbrey, 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: Gregg Properties Co Ltd