



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 556/11

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 December 1, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
4026092	8605 Coronet Road NW	Plan: 8821333 Block: 4 Lot: 4A	\$1,670,000	Annual New	2011

Before:

John Noonan, Presiding Officer
Taras Luciw, Board Member

Board Officer: Jason Morris

Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Luis Delgado, Assessor, City of Edmonton

PROCEDURAL MATTER

The third assigned member, Mr. Pointe was unable to attend due to a previous engagement, and the hearing proceeded with a quorum as allowed at *MGA* s 458(2).

BACKGROUND

The subject is a 9121 sq.ft industrial building constructed in 1967 and covering 15% of a 61,530 sq.ft. lot at the corner of Coronet Road and 86 Street. The 2011 assessment was prepared by the direct sales comparison model.

ISSUE(S)

An attachment to the complaint form identified the following issues:

1. The subject property is assessed in contravention of Section 293 of the Municipal Government Act and Alberta Regulation 220/2004.
2. The use, quality, and physical condition attributed by the municipality to the subject property are incorrect, inequitable and do not satisfy the requirement of Section 289 (2) of the Municipal Government Act.
3. The assessed value should be reduced to the lower of market value or equitable value based on numerous decisions of Canadian Courts.
4. The assessment of the subject property is in excess of its market value for assessment purposes.
5. The assessment of the subject property is not fair and equitable considering the assessed value and assessment classification of comparable properties.
6. The information requested from the municipality with regards to the assessment roll was so expensive that the costs impeded access to information.
7. The classification of the subject premise is neither fair, equitable, nor correct.

The complaint form listed an eighth issue:

8. The municipality has failed to account for various elements of physical, economic and/or functional obsolescence.

At the hearing, the CARB heard evidence and argument on the following issues:

- 1. Do the sales comparables show the subject is assessed in excess of its market value?**
- 2. Has the subject been equitably assessed?**

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

Issue 1: Sales comparables

Six sales comparables were presented, selected for similarity to the subject in age, lot size, site coverage and leasable area.

	Subject	Comparables Range
Lot size sq.ft.	61,570	68,734 – 91,924
Site coverage %	15	11 - 20
Leasable area	9121	7440 – 14,400
TASP/sf (subject assessment)	\$183.09	\$112.12 - \$181.54

The Complainant argued that the market evidence indicated \$157 per sq.ft. would be a fair value, resulting in a requested assessment of \$1,431,500.

Issue 2: Assessment equity

Five equity comparables were presented, selected for similarity to the subject in lot size, site coverage and leasable area.

	Subject	Comparables Range
Lot size sq.ft.	61,570	42,195 – 102,365
Site coverage %	15	12 - 18
Leasable area	9121	7029 – 12,375
Assessment per sq.ft.	\$183.09	\$149.13 - \$183.24

The equity comparables showed average and median values of \$164.55 and \$165.72 per sq.ft., and the Complainant suggested that a \$160 rate applied to the subject would yield an equitable assessment of \$1,514,000.

POSITION OF THE RESPONDENT

Issue 1: Sales comparables

Six sales were presented.

	Subject	Comparables Range
Site coverage %	15	11 - 20
Total building area sq. ft.	9121	7058 – 11,617
Upper office	0	0
TASP/sf (subject assessment)	\$183.09	\$168.03 - \$221.82

Issue 2: Equity comparables

Seven equity comparables were presented.

	Subject	Comparables Range
Site coverage %	15	11 - 19
Total building area sq. ft.	9122	8778 – 13,402
Upper office	0	0 - 2476
Assessment per sq.ft.	\$183.08	\$135.96 - \$236.86

DECISION

The CARB confirms the assessment of \$1,670,000.

REASONS FOR THE DECISION

Two of the comparable sales were common to the presentations of both parties, and the CARB found those two most similar to the subject in size and age: 9450 60 Ave and 5919 103 A Street. Both have low site coverage and sold at very close (\$177.59 and \$181.54) to the subject's valuation. This was the most instructive information before the Board, showing the impact of land value on small older buildings.

The CARB saw further support for the current assessment in two of the Complainant's equity comparables that were closest in size and age: 9540 60 Ave (also a sale) and 9535 62 Ave. After adjustments for size and/or coverage, the CARB is convinced the assessment is both equitable and fair.

Dated this 21st day of December, 2011, at the City of Edmonton, in the Province of Alberta.

John Noonan, 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: IXL PROPERTIES LTD