



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 564/11

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 29, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1554005	17204 106A Avenue NW	Plan: 7621205 Block: 6 Lot: 6&7	\$1,828,000	Annual New	2011

Before:

John Noonan, Presiding Officer
Reg Pointe, Board Member
Taras Luciw, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Chris Buchanan, Altus Group

Persons Appearing on behalf of Respondent:

Will Osborne, Assessor, City of Edmonton

BACKGROUND

The subject property is a warehouse of approximately 17,200 square feet on a lot of approximately 48,200 square feet at municipal address 17204 106A Avenue NW in the McNamara Industrial neighbourhood of northwest Edmonton. The property was assessed on the direct sales comparables method and the 2011 assessment is \$1,828,000.

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

Five 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.	48,168	36,286 – 58,342
Site coverage %	36	27 - 50
Leasable area	17,215	13,422 – 24,198
TASP/sf (subject assessment)	\$106.19	\$76.75 - \$98.31

The Complainant suggested that the market evidence indicated \$81 per sq.ft. would be a fair value, resulting in a requested assessment of \$1,394,000.

Issue 2: Equity comparables

Seven equity comparables drawn from the area of the subject were identified, with particulars and photos on each sheet. A summary chart was inadvertently missing. The Complainant concluded an equitable value of \$1,669,500 from the comparables.

POSITION OF THE RESPONDENT

Issue 1: Sales comparables

The Respondent presented five sales comparables selected for similarity to the subject in age, location, lot size, site coverage and leasable area.

	Subject	Comparables Range
Site coverage %	36	37 – 56
Total building area sq. ft.	17,216	13,501 – 41,554
Office mezz included in area	0	0 – 1456
TASP/sf (subject assessment)	\$106.18	\$90.34 - \$137.34

Issue 2: Equity comparables

Twenty-nine equity comparables were presented, from the same McNamara neighbourhood as well as Wilson and West Sheffield Industrial neighbourhoods..

	Subject	Comparables Range
Site coverage %	36	26 – 45
Total building area sq. ft.	17,216	10,464 – 24,380

Office mezz included in area	0	0 – 904
Assessment per sq.ft.	\$106.18	\$95.22 – \$130.67

DECISION

The CARB confirms the assessment of \$1,828,000.

REASONS FOR THE DECISION

As was pointed out by the Respondent, there were distinct problems with three of the five sales comparables presented by the Complainant: an access issue, a fair condition property, and a sale that appeared to be an exercise of an option price negotiated when prices were lower. The remaining two sales had substantial second floor development relative to their building sizes which would tend to dilute their per sq.ft. values.

The Board found the best comparable to be the Respondent's reported sale at 12819 144 Street, having 15,576 sq.ft. of main floor area and site coverage of 56%. That property with far inferior coverage sold for \$103.47 per sq.ft., supportive of the assessment. In the Complainant's evidence was a good equity comparable at 10754 181 Street, a 15,559 sq.ft. building on a 44,859 sq.ft. lot (1.03 acres). Its assessment was \$111.86 per sq.ft., somewhat higher than the subject's \$106. The other equity comparables appeared to have second floor development, which again would tend to dilute their per sq.ft. value. In addition, the Respondent had a plethora of equity comparables which were similar in size, location and site coverage and showed the subject to be equitably assessed.

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: WEST TWO ENTERPRISES LTD