



**ASSESSMENT REVIEW
BOARD**

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

NOTICE OF DECISION No. 0098 566/11

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:
1560770	17404 102 Avenue NW	Plan: 7722579 Block: 4 Lot: 4	\$1,175,000	Annual New	2011

Before:

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

Board Officer: Jason Morris

Persons Appearing on behalf of Complainant:

Chris Buchanan, Altus Group

Persons Appearing on behalf of Respondent:

Stephen Leroux, Assessor, City of Edmonton
Will Osborne, Assessor, City of Edmonton

BACKGROUND

The subject property is a lot of approximately 75,800 square feet at 17404 102 Avenue NW in the Stone Industrial neighbourhood of northwest Edmonton. The subject is used primarily for the storage of vehicles, and includes a single unheated warehouse building of approximately 2,800 square feet, covering only 4% of the property's area. It was assessed on the direct sales comparable method, and the 2011 assessment is \$1,175,000.

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

The complainant presented three sales comparables selected for similarity to the subject in having a small building on a large lot. The Complainant suggested that as the subject was an interior lot with an unheated building, it should fall into the lower end of the range indicated by both the sales and equity comparables.

	Subject	Comparables Range
Lot size sq.ft.	75,780	48,134 – 98,051
Site coverage %	4	5 - 6
Leasable area	2832	2720 - 4992
TASP/sf (subject assessment)	\$414.90	\$285.45 – 304.94

The Complainant suggested that the market evidence indicated \$290 per sq.ft. would be a fair value, resulting in a requested assessment of \$821,000.

Issue 2: Assessment equity

Ten 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.	75,780	55,865 – 241,758
Site coverage %	4	3 - 5
Leasable area	2832	1798 - 7000
Assessment per sq.ft.	\$414.90	\$232.29 - \$400.17

The equity comparables showed average and median values of \$282 and \$262 per sq.ft., and the Complainant suggested that a \$265 rate applied to the subject would yield an equitable assessment of \$750,000.

POSITION OF THE RESPONDENT

The Respondent stated at the outset the property should have been assessed using the cost approach, and had it been so treated, the assessment would be \$1,558,500. The subject has a small unheated storage shed sitting on 1.74 acres of prime land. Nevertheless, the Respondent presented sales and equity comparables in the same fashion as the Complainant. A further eight

land sales showed an average lot size of 1.81 acres selling at a time-adjusted \$745,502 per acre as compared to the subject 1.74 acres assessed at \$675,287 per acre based on land value alone.

Issue 1: Sales comparables

Four sales of three properties were presented.

	Subject	Comparables Range
Site coverage %	4	2 - 8
Total building area sq. ft.	2832	1722 - 6000
Lot size in acres	1.74	1.64 – 1.95
TASP/sf (subject assessment)	\$414.90	\$408.92 – 898.68

Issue 2: Equity comparables

Three equity comparables were presented.

	Subject	Comparables Range
Site coverage %	4	3 - 4
Total building area sq. ft.	2832	1206 - 9364
Lot size in acres	1.74	1 – 8.19
Assessment per sq.ft.	\$414.90	\$416.75 - \$489.38

DECISION

The CARB confirms the assessment of \$1,175,000.

REASONS FOR THE DECISION

The Complainant conceded that most of his sales and equity comparables were drawn from the Winterburn and Cloverbar areas, both inferior to the subject’s location. Those were the only areas where properties similar in site coverage to the subject were found.

The CARB concurs with the observation of the Respondent that the assessment of this and similar properties should have been prepared on the cost basis. The idea of trying to express the value of a large acreage in a per sq.ft. value of an unheated garage does not lead to a transparent assessment.

The Board found the best comparable to be a 1.8 acre site at 16116 112 Ave which sold for a time-adjusted \$1,046,850. Since the subject enjoys a better location than this sale comparable, the assessment is supported. The Respondent's equity comparables are in closer proximity to the subject than those of the Complainant, and they support the subject assessment as well.

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: ZACH & KAYLYN ENTERPRISES INC