



**ASSESSMENT REVIEW
BOARD**

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

NOTICE OF DECISION NO. 0098 568/11

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 28, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1525724	10703 181 STREET NW	Plan: 7820005 Block: 3 Lot: 5	\$2,567,500	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

Persons Appearing on behalf of Respondent:

Stephen Leroux
Marty Carpentier

BACKGROUND

The subject property is an industrial building constructed in 1981 and covering 37% of a rectangular shaped 51,885 sq. ft. lot in the Wilson Industrial neighbourhood. The building measures 25,856 sq. ft. including 6,750 sq. ft. of developed mezzanine space. The assessment was prepared by a sales comparison model using 3½ years of sales data from January 2007 through June 2010. The 2011 assessment model does not differentiate main floor office or warehouse space, but did find mezzanine office space a value factor while mezzanine storage was not.

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 issue:

Do the sales comparables show the subject is assessed in excess of its market value?

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 age, location, lot size, site coverage and leasable area.

	Subject	Comparables Range
Lot size sq.ft.	51,884	41,981 – 58,342
Site coverage %	37	27 – 50
Leasable area	25,856	13,663 – 24,198
TASP/sf (subject assessment)	\$99.30	\$76.75 - \$80.86

The Complainant argued that on the market evidence, a range of \$77 - \$81 was indicated, and the subject should properly be valued at \$80 per sq.ft. which would yield a value of \$2,068,000.

POSITION OF THE RESPONDENT

Issue 1: Sales Comparables

The Respondent presented seven sales comparables of six properties (one of which re-sold) selected for similarity to the subject in age, location, site coverage and leasable area.

	Subject	Comparables Range
Site coverage %	37	24 – 45
Total building area sq. ft.	25,856	10,050 – 46,685
Office mezz included in area	6,749	0 – 3,225
TASP/sf (subject assessment)	\$99.30	\$99.32 – 180.19

The Respondent noted that all of the sales had a time adjusted sale price of in excess of the subject property’s assessment as reflected in the chart above.

Assessment equity

Although equity was not specifically raised as an issue in evidence disclosure, on the advice of counsel, the Respondent also provided 8 equity comparables of properties located in close proximity to the subject:

	Subject	Comparables Range
Site coverage %	37	32 – 41
Total building area sq. ft.	25,856	18,322 – 34,100
Office mezz included in area	6,749	2,745 – 7,800

Assessment sq. ft.	\$99.30	\$94.20 - \$116.83
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The Respondent's equity comparables showed an average assessment of \$105.60 sq. ft. which supports the subject assessment of \$99.30 sq. ft.

DECISION

The CARB confirms the assessment at \$2,567,500.

REASONS FOR THE DECISION

In questions, problems with the Complainant's sales comparables were established. Although the first comparable was on a major road, the Network backup sheet noted the site configuration made for access problems by large trucks. The City's sale validation interview regarding the second sale noted that though the purchase price was \$1,155,687 a higher value, \$2.2 million was identified on the land title opinion of value. This suggested the purchase price had been set some years previously, alike the exercise of an option to purchase. The third sale was a smaller building on a larger lot, which would ordinarily suggest a higher value per sq.ft. than the subject. Instead, that sale at \$80.86 per sq.ft. was some 20% lower. However, that property is not on a major road, unlike the subject.

Although four of the Respondent's comparables were small, less than half the size of the subject, two of the remaining three sales occurred at prices slightly higher than the subject's assessment and the third at a substantially higher price. This sales evidence convinced the CARB that the subject was fairly 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: SPRUCE LAND DEVELOPMENTS LTD