

**NOTICE OF DECISION      NO. 0098 70/12**

Altus Group  
780-10180 101 ST NW  
EDMONTON, AB T5J 3S4

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 July 11, 2012, respecting a complaint for:

| <b>Roll Number</b> | <b>Municipal Address</b> | <b>Legal Description</b>         | <b>Assessed Value</b> | <b>Assessment Type</b> | <b>Assessment Notice for:</b> |
|--------------------|--------------------------|----------------------------------|-----------------------|------------------------|-------------------------------|
| 9552787            | 4350 82<br>AVENUE NW     | Plan: 7520086<br>Block: 1 Lot: 3 | \$2,297,500           | Annual<br>New          | 2012                          |

*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.*

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cc:    PARAGON INVESTMENTS LTD

## **Edmonton Composite Assessment Review Board**

**Citation: Altus Group v The City of Edmonton, ECARB 2012-001108**

**Assessment Roll Number:** 9552787

**Municipal Address:** 4350 82 AVENUE NW

**Assessment Year:** 2012

**Assessment Type:** Annual New

Between:

**Altus Group**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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**DECISION OF**  
**Hatem Naboulsi, Presiding Officer**  
**Brian Carbol, Board Member**  
**John Braim, Board Member**

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### **Preliminary Matters**

[1] The parties indicated that they had no objection to the composition of the Board. Each of the Board Members indicated that they had no bias with respect to the matter being considered.

### **Background**

[2] The subject property is a medium warehouse zoned IM, located at 4350-82 Avenue in the City of Edmonton. It was built in 1979, has a building area of 15,629 square feet (sq ft), no finished upper space and site coverage of 21% on a building site of 74,917 sq ft. The property was valued by the Direct Sales Comparison method.

### **Issue(s)**

The Board considered the following issue:

[3] Is the 2012 Assessment of the subject property fair and equitable?

### **Legislation**

[4] The Municipal Government Act reads:

*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**

[5] In support of a reduction, the Complainant provided excerpts from a property appraisal report from December 2008 which valued the subject property at \$1,840,000. The Complainant argued that because market conditions have declined since that time, the City's time adjustment factor of .9473 produces a value as of valuation day of \$1,743,000 for the subject property which is also below the assessed value.

[6] The Complainant also presented four sales comparables. These ranged in size of site area from 35,522 square feet to 62,538 square feet compared to the subject at 74,917 square feet. Site coverage for the four comparables ranged from 17% to 27% with the subject at 21%. The gross building areas ranged from 11,640 square feet to 15,050 square feet with the subject at 16,530 square feet. The years of construction ranged from 1974 to 1982. The subject was built in 1979.

[7] The time adjusted sales prices ranged from \$73.88 to \$160.14 per square foot with an average of \$119.03. The Complainant requested a value of \$120.00 per square foot for a revised assessment of \$1,875,500.

[8] In rebuttal (C-2), the Complainant argued that the Respondent's sale #2 (R-1 pg19) is not a good comparable as it is not a typical warehouse but rather substantially renovated as a laboratory/office space.

[9] Also, regarding sale #1 of the Respondent, the Complainant noted that this property was sold in good condition as stated but assessed in average condition.

[10] The Complainant also provided a series of lease comparables (C-1 pg 16, 17) to support his contention that neither the number of buildings on site nor the percentage of office space has any effect on the rate achieved on warehouse space.

### **Position Of The Respondent**

[11] In support of the 2012 assessment of the subject property, the Respondent presented four sales comparables (R-1 pg19) and five equity comparables (R-1 pg 25). With regard to the Respondent's sales comparables it was noted that the Respondent's sales comparable #1 and the Complainant's sales comparable #4 are the same.

[12] Lot sizes of the Respondent's sale comparables ranged from 62,540 square feet to 112,816 square feet compared to the subject at 74,919 square feet. Site coverage for the comparables ranged from 15% to 25% with the subject at 21%. The total building area for the

comparables ranged from 10,637 to 27,750 square feet; the subject is at 15,630 square feet. The time adjusted sales prices range from \$144.14 per square foot to \$178.81 per square foot with an average of \$154.81 per square foot. The subject property is assessed at \$147.00 per square foot. All of these properties are single buildings in average condition.

[13] The Respondent also provided five equity comparables (R-1 pg25). The effective year built for these ranged from 1975 to 1984 with an average of 1979. The subject was built in 1979. Site coverage for the equity comparables ranged from 18% to 25% with an average of 21%. The subject is at 21%. The main floor area of these comparables ranged from 13,930 square feet to 14,912 square feet averaging 14,348 while the subject is at 15,630 square feet. The assessment per square foot of the comparables ranged from \$145.50 to \$153.36 while the subject is assessed at \$147.00 per square foot.

[14] The Respondent included an information sheet entitled "Standard of mass appraisal on real property" (R-3).

[15] In support of the position that less weight should be place on partial appraisal reports, the Respondent entered two CARB decisions (R-4, R-5). The Respondent also noted that no appraiser was present to answer questions about the Complainant's appraisal report.

### **Decision**

[16] The decision of the Board is to confirm the 2012 Assessment of \$2,297,500.

### **Reasons For The Decision**

[17] The Board was persuaded by the equity comparables presented by the Respondent as they support the assessment from the average effective year built, site coverage, total main floor area and assessment per square foot of the total area.

[18] The Board was also persuaded by a common sale (C-1 pg 27 sale #4; R-1 pg19 sale # 1) that was presented by both parties that supports the assessment.

[19] Other than the common sale, the Board found that the balance of the sales presented by each of the two parties were fairly equally weighted; one in favour of a reduction and one supportive of the assessment. This offsetting effect therefore meant that the Board placed little weight on the respective portions of the evidence.

[20] The Board gave little weight to the appraisal presented by the Complainant, dated December 2008, (C-1 pg 8-10) valuing the subject at \$1,840,000, because it was only a partial appraisal and no appraiser was present to answer question about the appraisal.

[21] The Board was of the opinion that the chart of lease comparables presented by the Complainant had no relevance to this case, as the methodology used by the City for assessing warehouses is the direct sales comparison approach.

[22] 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**

[23] There is no dissenting opinion.

Heard commencing July 11, 2012.

Dated this 12<sup>th</sup> day of July, 2012, at the City of Edmonton, Alberta.

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Hatem Naboulsi, Presiding Officer

#### **Appearances:**

Walid Melhem, Altus Group  
for the Complainant

Marty Carpentier, Assessor, City of Edmonton  
Tanya Smith, Legal Counsel, City of Edmonton  
for the Respondent