



ASSESSMENT REVIEW BOARD

Churchill Building
10019 103 Avenue
Edmonton AB T5J 0G9
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NOTICE OF DECISION NO. 0098 811/11

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 February 24, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10034817	7028 56 AVENUE NW	Plan: 0522813 Block: 9 Lot: 12	\$10,692,500	Annual New	2011

Before:

Dean Sanduga, Presiding Officer
Dale Doan, Board Member
George Zaharia, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Walid Melhem

Persons Appearing on behalf of Respondent:

Marty Carpentier, Assessor
Tanya Smith, Law Branch

PROCEDURAL MATTERS

[1] The parties indicated they had no objection to the composition of the Board. In addition, the Board members indicated they had no bias on this file.

PRELIMINARY MATTERS

[2] There were no preliminary matters.

BACKGROUND

[3] The subject property is a large warehouse built in 2005 and located at 7028 - 56 Avenue NW within the Roper Industrial Area neighborhood. The property has approximately 102,000 square feet with lot size of 255,467 square feet and 40 % site coverage.

[4] The property was assessed on the direct sales comparison method, and the 2011 assessment was \$10,692,500.

ISSUE(S)

[5] Is the 2011 assessment of the subject property at \$10,692,500 fair and equitable?

LEGISLATION

[6] The *Municipal Government Act, RSA 2000, c M-26* reads:

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

[7] The Complainant presented evidence (C-1) and argument for the Board's review and consideration. He submitted five sales comparables ranging from \$67.46 to \$84.55 per square foot (C-1, page 8), to support a requested reduction of the 2011 assessment from \$10,692,500 to \$9,180,000 or \$90.00 per square foot.

[8] The Complainant further submitted a chart of four equity comparables with assessments ranging from \$88.75 to \$100.78 per square foot, with average assessment of \$94.75 and median of \$94.73 per square foot. The Complainant submitted that the indicated assessment of the subject property based on the equity comparables is \$94.50 per square foot for a total assessment of \$9,639,000 which is lower than the current assessment of \$10,692,500.

[9] He further stated that all sales and equity comparables were similar in some respects to the subject, with sales detailed information on pages (14-28) and equity detailed information on pages (29-36).

[10] The Complainant informed the Board that, while his equity comparables are similar in various respects to the subject, such as in site coverage, building size, age and location, he suggested that any differences could be accounted for by making appropriate upward or downward value adjustments.

[11] The Complainant disputed the comparability of the Respondent's equity comparables, stating that comparables 1, 3 and 4 are located in the west end quadrant of the city, and comparable #2 is a two- building complex while comparable # 4 is an interior and older property.

[12] The Complainant stated that a review of recent market transactions indicate that the value of the subject property is \$9,180,000, while a comparison with similar equity comparables indicates an equitable assessment for the subject of \$9,939,000.

[13] The Complainant requested a reduction of the assessment to \$9,180,000.

POSITION OF THE RESPONDENT

[14] The Respondent presented evidence (R-1) and argument for the Board's review and consideration. The Respondent submitted five time adjusted sales comparables (R-1, page 19) to support the 2011 assessment of \$104.83 per square foot.

[15] The Respondent outlined the mass appraisal process and the factors found to influence value in the warehouse market (R-1, page 7).

[16] The Respondent also presented five equity comparables (R-1, page 26), four of which are located in SE Edmonton and are similar in condition, location, size , site coverage and age to support the 2011 assessment of the subject property.

[17] The Respondent requested the 2011 assessment be confirmed at \$10,692,500.

DECISION

[18] The decision of the Board is to confirm the 2011 assessment of the subject property at \$10,692,500 as fair and equitable.

REASONS FOR THE DECISION

[19] The Board in considering the evidence and argument presented by both parties is of the opinion that it is more appropriate to compare properties in the same quadrant of the City, unless the property is so unique in some respect that few comparables can be found in the quadrant.

[20] The Board placed greater weight on the equity comparables presented by the Respondent (R-1, page 26) which supported the 2011 assessment of the subject property. The comparables presented were similar to the subject property with respect to location, age, size, services and some in site coverage

[21] The Board placed less weight on the Respondent's five sales comparables (R-1, page 19) and noted that Comparables 1, 3 and 4 are located in the west end quadrant of the city. Comparable #2 is a two-building complex and comparable # 4 is an interior and older property.

[22] The Board found that equity comparables 2, 3 and 4 presented by the Complainant (C-1, page 9) support the assessment, and noted that comparable #1 has 50% site coverage, which is higher than the subject's, and therefore makes it less valuable as a comparable.

[23] The Board finds that the 2011 assessment of the subject property at \$10,692,500 is fair and equitable.

DISSENTING OPINION AND REASONS

[24] There was no dissenting opinion.

Dated this 20th day of March, 2012, at the City of Edmonton, in the Province of Alberta.

Dean Sanduga, 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: PSS INVESTMENTS II INC
TPP INVESTMENTS II INC