

**NOTICE OF DECISION      NO. 0098 83/12**

CUSHMAN & WAKEFIELD LTD  
1730 - 111 5 AVENUE SW  
CALGARY, AB T2P 3Y6

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 June 25, 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>
8871709	8905 51 Avenue NW	Plan: 5057TR Block: 7 Lot: 1	\$13,198,500	Annual 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: THE STANDARD LIFE ASSURANCE COMPANY OF CANADA

## **Edmonton Composite Assessment Review Board**

**Citation: Cushman & Wakefield Ltd v The City of Edmonton, 2012 ECARB 1322**

**Assessment Roll Number:** 8871709

**Municipal Address:** 8905 51 Avenue NW

**Assessment Year:** 2012

**Assessment Type:** Annual New

Between:

**Cushman & Wakefield Ltd**

Complainant

and

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

Respondent

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**DECISION OF**  
**Peter Irwin, Presiding Officer**  
**Lillian Lundgren, Board Member**  
**Ron Funnell, Board Member**

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### **Preliminary Matters**

[1] When asked by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board members indicated they had no bias in the matter before them.

### **Background**

[2] The subject property known as Sprucewoods Business Park is located at 8905 51 Avenue NW in the southeast quadrant of the city. The property is comprised of three Class B suburban office buildings.

### **Issue(s)**

[3] Is the rental rate of \$16.00 per square foot used to prepare the assessment for the office space correct?

### **Legislation**

[4] 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**

[5] The Complainant filed this complaint on the basis that the 2012 property assessment of \$13,198,500 is incorrect because a \$16.00/sf rental rate was used for the office space. Further, the 2011 valuation for the subject property was based on \$15.00/sf for the office space and the rents have not increased since then.

[6] In support of this position, the Complainant presented a rent roll as of April 1, 2011. The rent roll shows twenty leases that were signed on various dates from July 1, 2002 to October 1, 2009. The leases expired on various dates from May 31, 2011 to January 31, 2015. Eight of the leases expired in 2011. The rental rates range from \$9.00/sf to \$18.00/sf.

[7] The Complainant argued that the current leasing activity in the property indicates that a rental rate of \$15.00/sf is appropriate for the office spaces. The Complainant presented a lease for one of the tenants with a rental rate of \$15.00/sf commencing September 1, 2011 and terminating August 31, 2016. The Complainant also presented a lease extension and amending agreement for another tenant with a rental rate of \$15.00/sf commencing March 1, 2011 and expiring February 28, 2014.

[8] In summary, the Complainant requested the Board to reduce the assessment to \$12,300,000 based on a \$15.00 per square foot rental rate for the office space.

### **Position Of The Respondent**

[9] The Respondent submitted that the subject assessment of \$13,198,500 based on a rental rate of \$16.00/sf for the office space is correct.

[10] The Respondent explained that the legislation requires the use of typical rents and the \$16.00 rental rate was derived from a number of similar properties located in the suburban south side of Edmonton. The Respondent presented a chart of sixteen new or renewal leases from B Class buildings that have a median time adjusted rent of \$15.89/sf and an average time adjusted rent of \$15.96/sf. The Respondent noted that two of these leases are from the subject property and one of the tenants in the subject property signed a renewal for \$17.80/sf.

[11] The Respondent also argued that the \$16.00/sf rental rate for office space is applied fairly and equitably. The Respondent stated that all B Class office buildings on the south side were assessed using the \$16.00/sf rate.

[12] In summary, the Respondent requested the Board to confirm the assessment at \$13,198,500.

## **Decision**

[13] The assessment is confirmed at \$13,198,500.

## **Reasons For The Decision**

[14] In determining this matter, the Board placed the most weight on the Respondent's rental rate comparables because the comparables are new or renewal leases from similar B Class properties that are time adjusted to the valuation date of July 1, 2011. The sixteen rent comparables have an average time adjusted rental rate of \$15.96/sf which supports the current rental rate of \$16.00 used for the subject office space.

[15] The Board placed less weight on the Complainant's rental comparables because, except for two leases, they are dated. The two most recent leases for the subject property were included in the Respondent's list of rent comparables.

[16] Accordingly, the Board confirms the subject property assessment.

Heard commencing June 25, 2012.

Dated this 25<sup>th</sup> day of July, 2012, at the City of Edmonton, Alberta.

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Peter Irwin, Presiding Officer

## **Appearances:**

Jan Goresht

for the Complainant

Tracy Ryan

for the Respondent