



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 864/11

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 April 4, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
3806494	11807 105 AVENUE NW	Plan: 9220996 Block: B Lot: 9C	\$3,127,000	Annual New	2011

Before:

Patricia Mowbrey, Presiding Officer
Lillian Lundgren, Board Member
Ron Funnell, Board Member

Board Officer: Jodi Keil

Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Luis Delgado, Assessor, City of Edmonton
Melissa Zayac, Assessor, City of Edmonton

PRELIMINARY MATTERS

1. Upon questioning by the Presiding Officer, the parties indicated that they had no objection to the composition of the Board. In addition, the Board members indicated they had no bias on the file.

BACKGROUND

2. The subject property is a 33,981 square foot (sf) warehouse located at 11807 105 Avenue NW in the Queen Mary Park industrial area. It has an effective year built of 1968. The lot size is 56,405 sf with site coverage of 60%.

ISSUE:

3. Is the subject property equitably assessed with similar properties?

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

4. The Complainant filed this complaint on the basis that the subject property assessment of \$3,127,000 is inequitable with the assessments of similar properties. The Complainant argued that the assessments on similar competing properties indicate that an equitable value for the subject is \$2,463,500 (\$72.50/sf). In support of this argument, the Complainant presented six equity comparables that have an average assessment of \$72.40/sf and a median assessment of \$72.43/sf. The comparables are similar to the subject in age, site coverage and building size. As well, the comparables are similar in that they have no upper office space.
5. The Complainant explained that the subject property is the largest warehouse in the downtown area so it is difficult to find comparables of the same size in this market area. The Complainant stated that building size is a more important attribute than location, particularly when the comparables are located near the downtown area. Comparables #1, #2 and #4 are located near the downtown market area and are considered by the Complainant to be good comparables because they are similar in all of the other attributes. These three comparables have assessments of \$72.59/sf, \$62.43/sf and \$72.00/sf respectively. The subject property is assessed \$92.02/sf.

6. In summary, the Complainant requested the Board to reduce the subject assessment to \$2,463,500 based on the above equity comparables.

POSITION OF THE RESPONDENT

7. The Respondent submitted that the subject assessment of \$3,127,000 is fair and equitable. The subject warehouse property is located in the downtown market area which is bounded on the north by 107 Avenue, on the west by 124 Street, on the east by 97 Street and on the south by the North Saskatchewan River. The Respondent disagrees with the Complainant that warehouses located outside of the downtown area are in a similar location to the subject.
8. The Respondent acknowledged that the issue of this complaint is equity and chose to present sales comparables to demonstrate that the downtown location is a major factor in assessments because land in this area sells for higher per square foot values. The Respondent presented five sales comparables that range in value from \$94.31/sf to \$294.21/sf. Comparable #2 located at 11735 108 Avenue NW is the best comparable in terms of age, site coverage and building size. This property sold for \$94.63/sf compared with the subject assessment of \$92.02/sf.
9. In answer to questions, the Respondent agreed that Comparable #3 sold for \$294.21/sf as vacant land for redevelopment and is not the best comparable of the five comparables. However, the Respondent maintained that this is evidence that the downtown market area has higher land values than the surrounding areas.
10. The Respondent also presented seven equity comparables that range in assessment per square foot from \$93.99 to \$134.87. All seven comparables are similar in location, age and site coverage. The subject property has a total building size of 33,981 sf and is the largest warehouse in the downtown area. Therefore there are no warehouses of the same size. The Respondent selected Comparable #1 located at 10604 105 Avenue NW as the best comparable because it is similar in location, age, site coverage and total building size. However, the property has 5,765 of upper office space which tends to lower the average assessment per square foot of the total building because upper office space has a lower value than main floor space. This comparable is assessed \$93.99/sf compared with the subject at \$92.02/sf. The six other equity comparables have buildings that are approximately 10,000sf in size and are assessed from \$114.85/sf to \$134.87/sf.
11. In summary, the Respondent requested the Board to confirm the assessment at \$3,127,000.

DECISION

12. The property assessment is confirmed at \$3,127,000.

REASONS FOR THE DECISION

13. The Board reviewed the evidence and argument of the parties and finds as follows. In the absence of market evidence to show that the Complainant's equity comparables are in a similar location to the subject property, the Board accepts the Respondent's argument that the downtown area is a separate market area. While not conclusive, the Respondent

did provide sales of properties in the downtown that indicate it is a separate and superior market area. Having determined that the downtown area is a separate market, the Board placed the most weight on the Respondent's equity comparables, all of which are located in the downtown market area. The Board finds that the subject property is equitably assessed with similar properties in the same market area. Accordingly, the assessment is confirmed at \$3,127,000.

Dated this 11th day of April, 2012, at the City of Edmonton, in the Province of Alberta.

Patricia Mowbrey, 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: 1035352 ALBERTA LTD