

NOTICE OF DECISION NO. 0098 107/12

Altus Group
780-10180 101 Street 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 16, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1542554	10940 Mayfield Road NW	Plan: 2477KS Block: 4 Lot: 4 / Plan: 2477KS Block: 4 Lot: 5 / Plan: 2477KS Block: 4 Lot: 4 / Plan: 2477KS Block: 4 Lot: 5	\$3,962,500	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.

cc: 708214 ALBERTA LTD

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2012 ECARB 001085

Assessment Roll Number: 1542554

Municipal Address: 10940 Mayfield Road NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
John Noonan, Presiding Officer
Jack Jones, Board Member
Pam Gill, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer, the parties before the Board indicated no objection to the Board's composition. In addition, the Board Members indicated no bias with respect to this file.

Background

[2] The subject property is an average condition, industrial warehouse/retail building, built in 1974 and located in the West Sheffield Industrial neighborhood. It has 49,823 square feet of main floor area of which 42,343 square feet is office or finished space. The subject property has site coverage of 60% and has been assessed for 2012 utilizing the direct sales comparison approach to valuation based on sales occurring between January 2008 and June 2011. The subject property has also been assessed with the attribute of being located on a major roadway.

Issues

[3] The complaint form listed ten issues for complaint; however, at the hearing the Complainant presented evidence and argument on the following issues:

- 1) Is the 2012 assessment of the subject property at \$3,962,500 fair?
- 2) Is the assessment 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] The Complainant presented evidence (C-1 & C-2) and argument for the Board's review and consideration.

[6] The Complainant presented three sales comparables (C-1, page 8) in support of a requested reduction to the 2012 assessment of the subject property. The Complainant advised that the sales comparables had been time adjusted to the valuation date of July 1, 2011 utilizing the same factors used by the Respondent (C-1, pages 16 & 17). The comparables presented ranged in value from \$53.40 to \$73.41 per square foot compared to the assessed value of \$79.53 per square foot. Utilizing the median value of these comparables as a guideline, the Complainant indicated an appropriate unit valuation for the subject property would be \$60.00 per square foot for a total valuation of \$2,989,000.

[7] The Complainant also presented five equity comparables (C-1, page 9) in support of a requested reduction to the 2012 assessment of the subject property. The comparables presented ranged in value from \$65.14 to \$76.27 per square foot compared to the assessed value of \$79.53 per square foot. Utilizing the median value of these comparables as a guideline, the Complainant indicated an appropriate unit valuation for the subject property would be \$70.00 per square foot for a total valuation of \$3,487,500.

[8] The Complainant also presented rebuttal evidence (C-2, pages 2 & 3), which critiqued the Respondent's sales and equity comparables with respect to site coverage and building size. The Complainant further referenced a partial excerpt from the Standard on Mass Appraisal of Real Property (C-2, page 7) which indicated that "the income approach is the most appropriate method to apply when valuing commercial and industrial property if sufficient income data are available".

[9] In summary the Complainant requested the 2012 assessment of the subject property be reduced from \$3,962,500 to \$3,487,500.

Position Of The Respondent

[10] The Respondent presented evidence (R-1 & R-2) and argument for the Board's review and consideration.

[11] The Respondent presented four sales comparables (R-1, page 10) in support of the 2012 assessment of the subject property. The comparables presented ranged in value from \$82.62 to \$95.24 per square foot compared to the assessed value of \$79.53 per square foot.

[12] The Respondent also presented nine equity comparables (R-1, page 15) in support of the 2012 assessment of the subject property. The comparables presented ranged in value from \$80.88 to \$95.80 per square foot compared to the assessed value of \$79.53 per square foot.

[13] The Respondent noted that properties located on major roadways were typically assessed at a value approximately 10% higher than properties that did not have this attribute. The Respondent also stressed the importance of considering all factors in the valuation process (R-1, page 24 & 25) which include age, location, lot size, area, finished area, condition, and site coverage.

[14] In summary the Respondent requested the 2012 assessed of the subject property be confirmed at \$3,962,500.

Decision

[15] The Board confirms the 2012 assessment of the subject property at \$3,962,500.

Reasons For The Decision

[16] After review and consideration of the evidence and argument presented by both parties, the Board finds the 2012 assessment of the subject property at \$3,692,500 appropriate in that it is equitable.

[17] The Board did not find that the sales comparables presented by either party were comparable to the subject party with respect to a major roadway attribute, lot size, building size or site coverage. The parties freely acknowledged there were few comparables available that replicated the subject's 60% site coverage. In addition, the Board notes that 85% of the building's leasable area is finished space, a very high proportion that results in difficulty locating comparables. The sales comparables shed little light on the question of the subject's fair market value and the Board is not persuaded that the subject's assessment required alteration on the basis of that sales evidence.

[18] The equity comparables are more instructive, though they have some limitations as well. The Board examined three comparables from the Respondent, those with the highest site coverage, which were also located on major roads in the west end like the subject. As well, the Board notes the last three of the Complainant's five equity comparables, also on major roads if

not quite up to the subject's location. The average assessment per square foot of these six properties is \$81.12. This is the best information available to the Board and it supports the 2012 assessment of the subject property at \$79.53 per square foot.

Heard July 16, 2012.

Dated this 3rd day of August, 2012, at the City of Edmonton, Alberta.

Pam Gill, Board Member

Appearances:

Walid Melhem, Altus Group
for the Complainant

Suzanne Magdiak, City of Edmonton
for the Respondent