

NOTICE OF DECISION NO. 0098 133/12

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 10, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
4112769	4405 ELENIAK ROAD NW	Plan: 8923379 Lot: M	\$6,304,500	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: HITCHCO DEVELOPMENTS LTD

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, ECARB 2012-001283

Assessment Roll Number: 4112769

Municipal Address: 4405 ELENIAK 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
Hatem Naboulsi, Presiding Officer
Brian Carbol, Board Member
John Braim, Board Member

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 built in 1977 and located in the Pylypow Industrial subdivision of the City of Edmonton. The property has a building area of 61,440 square feet with site coverage of 17%.

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] The Complainant filed this complaint on the basis that the 2012 assessment of the subject property exceeded its market value at \$6,304,500. In their submission the Complainant provided five assessment records indicating adjustments of 10% had been made on properties with no exposure or “rear buildings” (C-1 p. 12-16).

[6] The Complainant argued that since only half of the subject property is affected by lack of exposure, a 5% adjustment should be made to the assessment resulting in a reduced assessment of \$5,989,000 which is lower than the current assessment. In support of this position the Complainant argued that although the property in question is a single building, it is separated front to back creating a situation where the back bays have no exposure (C-1 p 8, 9).

[7] The Complainant argued that to be treated equitably for assessment purposes, the rear bays should be regarded as if they were a rear building with no exposure. The Complainant described the property configuration as atypical.

[8] The Complainant also included a 2010 CARB decision on the subject property that resulted in a 5% reduction in the assessment of the subject property (C-1 p. 17-20).

[9] The Complainant further noted that the 2011 assessment was appealed and resolved prior to the hearing.

[10] The Complainant requested that the subject property be reduced by 5% for a total assessment of \$5,989,000.

Position Of The Respondent

[11] In support of the assessment the Respondent presented a 32 page Assessment Brief (R-1).

[12] The assessment brief included four single building sales comparables. The sales comparables ranged in building size from 27,750 sq ft to 41,991 sq ft compared to the subject at 61,440 sq ft. Site coverage ratio (SCR) ranged from 25% to 45% with the subject at 22%. The year of construction ranged from 1974 to 1998 with the subject being at 1977. The time adjusted sale price ranged from \$109.55/ sq ft to \$144.14/ sq ft with the subject being assessed at \$102.61/ sq ft. The four sales comparables are in average condition whereas the subject property is in fair condition.

[13] The Respondent argued that the City does not condone the 5% reduction awarded by the CARB in 2010 in that it creates inequities and that the City does not make adjustments of this type for single buildings.

[14] In summary, the Respondent maintained that an adjustment of 10% for lack of exposure is only applied to free-standing rear buildings and not to single buildings such as the subject.

[15] The Respondent further argued that Complainant did not provide enough evidence to cause a reduction in assessment and requested that the 2012 assessment for the subject property be confirmed at \$6,304,500.

Decision:

[16] The decision of the Board is to reduce the assessment of the subject property from \$6,304,500 to \$5,989,000.

Reasons For The Decision

[17] The Board examined the issue of fairness and equity for the assessment of the subject property. The Board finds that the subject property is an atypical configuration. The rear portion of the building functions like a separate building located to the rear of the property. As such, that portion of the building has no exposure and should be treated equitably with similar properties that would qualify for a reduction.

[18] The Board was persuaded by the evidence of the Complainant pertaining to the five equity comparables as they had each received a reduction of 10% that was applied to the rear building only based on the rear building configuration principle. The Board therefore finds that a reduction of 5% is warranted for the whole of the subject property as it exhibits similar characteristics to the equity comparables.

[19] The Board did not consider the sales comparables presented by the Respondent as the issue before the Board was one of equity, not correctness, of assessment.

Dissenting Opinion

There was no dissenting opinion.

Heard commencing July 10, 2012.

Dated this 30th day of July, 2012, at the City of Edmonton, Alberta.

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