

**NOTICE OF DECISION      NO. 0098 145/12**

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 August 7, 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>
1128248	16011 128 AVENUE NW	Plan: 8121544 Block: 1 Lot: 13	\$5,253,500	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: CONCERT REAL ESTATE CORPORATION

## **Edmonton Composite Assessment Review Board**

**Citation: Altus Group v The City of Edmonton, ECARB 2012-000592**

**Assessment Roll Number:** 1128248

**Municipal Address:** 16011 128 AVENUE NW

**Assessment Year:** 2012

**Assessment Type:** Annual New

Between:

**Altus Group**

Complainant

and

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

Respondent

---

### **DECISION OF**

**Dean Sanduga, Presiding Officer**

**Jasbeer Singh, Board Member**

**Mary Sheldon, Board Member**

---

### **Preliminary Matters**

[1] Upon questioning by the Presiding Officer, 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.

### **Background**

[2] The subject property is a large warehouse on a seven acre (305,226 square feet) industrial land zoned 'IM' in Mistatim Industrial area in NW Edmonton. The warehouse with a main floor area of 45,768 square feet was built in 1981. There are two additional improvements, one, a materials shelter measuring 11,232 square feet built in 1981 and the second one, a farm equipment arch-rib quon measuring 4,000 square feet was added in 2006. Both additional improvements are assessed on cost basis. The site coverage on the parcel of land is 20%. The total 2012 assessment for the land and the improvements is \$5,253,500.

### **Issue(s)**

[3] Is the 2012 assessment for the subject property fair and equitable?

## **Legislation**

[4] The Municipal Government Act reads:

### ***Municipal Government Act, RSA 2000, c M-26***

s 1(1)(n) “market value” means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

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 subject property assessment of \$5,253,500 was inequitable and in excess of the market value. In support of this position, the Complainant presented a 28-page assessment brief (Exhibit C-1) and a 7-page document rebutting the Respondent’s evidence to the Board (Exhibit C-2).

[6] The Complainant had provided a list of 11 issues in the disclosure document (C-1, page 3), but the only issue presented and argued at the hearing was the question of equity in respect of the 2012 assessment of the subject.

[7] The Complainant presented a set of three equity comparables. These are all located in the NW industrial quadrant, same as the subject. The median of the 2012 assessments was shown as \$98.54 per square foot and the average was \$101.05 per square foot (C-1, page 8).

[8] The Complainant stated that these equity comparables supported the argument that the subject had been assessed excessively at \$114.79 per square foot, and the 2012 assessment should be reduced to \$100 per square foot (C-1, page 8).

[9] In response to questions from the Respondent, the Complainant conceded that one of the equity comparables (#2, 11528 – 160 Street) was a special purpose, cold storage facility.

[10] When questioned on the issue of disparity in land area of the comparables and the subject, the Complainant suggested that this was adequately addressed in the site coverage parameter.

[11] The Complainant presented a 7-page rebuttal document to the Board (C-2) and argued the validity of the Respondent's equity comparables (C-2, page 2).

[12] The Complainant questioned the validity of the Respondent's 'direct sales comparison' assessment valuation approach by highlighting paragraph 4.6.3 from IAAO's 'Standard on Mass Appraisal of Real Property' that reads, '*The income approach is the most appropriate method to apply when valuing commercial and industrial property if sufficient income data are available*' (C-2, page 6).

[13] The Complainant requested that the 2012 assessment be reduced to \$4,576,500 or \$100.00 per sq. ft. (C-1, page 8).

### **Position of the Respondent**

[14] The Respondent presented a 28-page assessment brief (Exhibit R-1) and a 44-page law & legislation brief (Exhibit R-2) to the Board. The assessment brief included three equity comparables that support the 2012 assessment of \$5,253,500.

[15] The Respondent stated that all equity comparables were close to the subject in terms of age, land area, size and condition of the buildings and site coverage, and further advised that the 2012 assessments for these comparables ranged from \$118.00 to \$136.11 per square foot and supported the subject's assessment of \$114.79 per square foot, even with generous adjustment for relatively minor differences (R-1, page 11).

[16] The Respondent stated that when the contents of the paragraph 4.6.3 from IAAO's 'Standard on Mass Appraisal of Real Property', quoted by the Complainant, is read in entirety (C-2, page 6), it supported the direct comparison approach as equally valid.

[17] The Respondent quoted from the Appraisal Institute's publication '*Also, income capitalization can be particularly unreliable in the market for commercial or industrial property where owner-occupants outbid investors.*' (R-1, page 15).

[18] The Respondent questioned the Complainant's use of an equity comparable (#2, 11528 – 160 Street) that was a special purpose, cold storage facility that was assessed on cost and was not comparable with the subject.

[19] During questioning, the Respondent agreed that it was difficult to find comparables that matched the subject in all aspects and hence it was necessary to make adjustment for the differences that may have an influence on the assessment values, as was the case with the three equity comparables on page 11 (R-1).

[20] The Respondent argued that after allowing for the differences in size, age and site coverage, the comparables support the 2012 assessment as equitable and requested confirmation of the subject's assessment at \$5,253,500.

## **Decision**

[21] The decision of the Board is to confirm the 2012 assessment of \$5,253,500 as fair and equitable.

## **Reasons for the Decision**

[22] The Board noted that the only issue for its consideration and determination was whether the subject's 2012 assessment was equitable or not.

[23] The Board is of the opinion that there are significant issues with the Complainant's equity comparables, and this did not assist the Board in its determination of the assessment value for the subject property. (C-1, pages 4, 7 & 8).

- a. The Complainant's equity comparable #2 (11528 – 160 Street, NW) is a special purpose custom-built property (Safeway cold-storage facility). This is also assessed on cost, due to the special nature of the property. In the Board's opinion, this cannot be relied upon as a good comparable to question the validity of the subject's assessment.
- b. The Complainant's equity comparable #3 (11510 - 168 Street NW), assessed at \$108.22, is five years older, has half the land area and greater size coverage. The Board is of the opinion that when these differences are factored in, this will support the subject's 2012 assessment of \$114.79 per square foot.
- c. Equity comparable #1 (15706 – 116 Avenue NW) with an assessment of \$96.40 per square foot was comparable in building size and age, considerably smaller in land area, higher in site coverage and farthest from the subject in location.

[24] The Board notes that some of the Respondent's equity comparables also differ from the subject in terms of age, site coverage and building area. However, the Board is of the opinion, that the Respondent's equity comparables provided more reliable guidance in its determination.

[25] Jurisprudence has established that the onus of showing an assessment is incorrect rests with the Complainant. The Board is satisfied that the Complainant did not provide sufficient and compelling evidence for the Board to form an opinion as to the incorrectness of the assessment. Accordingly, the Board accepts the recommendation of the Respondent and confirms the 2012 assessment of the subject at \$5,253,500.

### **Dissenting Opinion**

[26] There was no dissenting opinion.

Heard commencing August 7, 2012.

Dated this 22<sup>nd</sup> day of August, 2012, at the City of Edmonton, Alberta.

---

Dean Sanduga, Presiding Officer

#### **Appearances:**

Walid Melhem  
for the Complainant

Melissa Zayaz  
Will Osborne  
for the Respondent