

**NOTICE OF DECISION      NO. 0098 173/12**

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 8, 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>
9971145	8939 50 STREET NW	Plan: 9925323 Block: 4 Lot: 8	\$12,367,000	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: YORK REALTY INC

## **Edmonton Composite Assessment Review Board**

**Citation: Altus Group v The City of Edmonton, ECARB 2012-001053**

**Assessment Roll Number:** 9971145

**Municipal Address:** 8939 50 STREET NW

**Assessment Year:** 2012

**Assessment Type:** Annual New

Between:

**Altus Group**

Complainant

and

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

Respondent

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### **DECISION OF**

**Dean Sanduga, Presiding Officer**

**Jasbeer Singh, Board Member**

**Mary Sheldon, Board Member**

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### **Preliminary Matters**

[1] The parties advised the Board that evidence, arguments and submissions were carried forward where applicable to this file from # 3941457

[2] The parties to the proceedings indicated that they had no objection to the composition of the Board. The members of the Board did not have any bias with respect to this matter.

[3] During the course of the hearing, the Complainant objected to the introduction of Exhibit R-1, page 29. The Complainant indicated to the Board that the chart on that page was labeled as the “City of Edmonton Sales Comparables” whereas the chart ought to have been labeled “Altus Appraisal Comparables.” The Complainant objected further that the chart contained extraneous information. The Board recessed and considered the Complainant’s objection. The Board concluded that the notes below the chart defined what the chart contained. Therefore, the Board’s decision was to allow R-1, page 29 to remain as evidence but that the Board would give appropriate weight to the information on that page.

### **Background**

[4] The subject property is a large warehouse built in 1982 and located in the Lambton Industrial subdivision of Edmonton. The building area is 168,735 square feet. The site area is 467,800 square feet and the site coverage is 36%.

## **Issue(s)**

[5] Is the current assessment of the subject correct, fair and equitable given the available market data?

## **Legislation**

[6] 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**

[7] The Complainant filed this complaint on the basis that the subject property’s assessment of \$12,367,000 was inequitable and in excess of the market value. In support of this position, the Complainant presented a 52-page assessment brief (Exhibit C-1), including a 26-page appraisal report (Exhibit C2), and a 7-page document rebutting the Respondent’s evidence to the Board (Exhibit C3).

[8] In support of the argument that the 2012 assessment of the subject was excessive, the Complainant submitted to the Board three sales comparables ( Exhibit C-1, page 8) stating that the average time adjusted selling price of similar properties was \$75.12 per square foot, and that the median selling price per square foot of those properties was \$77.17. The Complainant compared these values with the assessment of the subject at \$73.12 per square foot. The Complainant indicated that there would have to be some adjustments to the values of the comparables to account for differences with the subject. The Complainant requested that an assessment per square foot for the subject at \$65.00 per square foot would be fair and equitable. This would result in a total assessment of \$10,967,500 for the subject.

[9] The Complainant’s request for an assessment of \$65.00 per square foot was based on the value submitted in an appraisal report for the subject. The Complainant presented this appraisal report dated January, 2010 for the consideration of the Board. That appraisal valued the subject at \$65.00 per square foot or \$10,300,000 in total using both a direct sales and an income approach (Exhibit C-1, pages 9-34).

### **Position of the Respondent**

[10] The Respondent presented a 39-page assessment brief (Exhibit R-1) and a 44-page law & legislation brief (Exhibit R-2) to the Board. The assessment brief included four equity comparables and five sales comparables that support the 2012 assessment of \$12,367,000

[11] The Respondent argued that the current assessment of the subject was correct, fair and equitable.

[12] The Respondent presented a chart of five sales of comparable properties (Exhibit R-1, page 11). The Respondent stated that the sales comparables are similar in age, size and condition, and that the site coverage of the subject is 36 %, whereas the site coverage of the comparables ranged from 37% to 54%. The time adjusted values per square foot of these comparables ranged from \$77.17 to \$82.62. The Respondent stated that this supported the assessment per square foot of the subject at \$73.29.

[13] The Respondent also submitted a chart of four equity comparables (R-1, page 17). The assessments per square foot of main floor space ranged from \$75.76 to \$81.19 per square foot and, in the opinion of the Respondent, supported the assessment of the subject at \$73.29 per square foot.

[14] The Respondent requested that the Board confirm the assessment of the subject at \$12,367,000.

### **Complainant's rebuttal**

[15] In rebuttal, the Complainant provided evidence that the sales comparables submitted by the Respondent are dissimilar to the subject, and noted that sales #1 and #3 are as the Complainant's sales comparables #3 and #2. The Complainant pointed out as well in the rebuttal document that with respect to the Respondent's sale #2, the property was purchased by the lead tenant and therefore could not be considered a good sale. With respect to the Respondent's sale #4, the Complainant indicated that it is significantly newer than the subject and has 19 cranes and 34 hoists and other improvements. As well, sale #4 had been leased back to the vendor for a very lengthy lease. All these factors, in the opinion of the Complainant, would make this comparable of little assistance in establishing value for the subject.

[16] In response to the Respondent's question concerning the completeness of the appraisal document, the Complainant conceded that the appraisal report is in this case was incomplete as it was missing the index and certification.

[17] Based on the market value noted in the appraisal report, The Complainant requested that the Board reduce the assessment of the subject to \$65.00 per square foot or \$10,300,000.

### **Decision**

[18] The decision of the Board is to confirm the 2012 assessment

### **Reasons for the Decision**

[19] The Board places less weight on the Complainant's appraisal report as there was evidence presented that the appraisal report is incomplete.

[20] With respect to the Complainant's sales comparables, the Board notes that the time adjusted sale price per square foot of the last two comparables have values in excess of the assessment per square foot of the subject. As well, when the time adjusted sale price per square foot of the Complainant's sale comparable #1 is adjusted upwards to account for differences in size and age, the value of that comparable would support the assessment as well.

[21] The Board notes that the Complainant relied only on the three sales comparables and the appraisal document, and did not provide any equity comparables in support of the argument that the subject had been inequitably assessed.

[22] The Board notes that it is the responsibility of the Complainant to provide sufficient compelling evidence to raise a doubt in the mind of the Board that the assessment of the subject is not correct. In the opinion of the Board, the Complainant failed to discharge this responsibility. Although the Board notes difficulties as well with some of the sales comparables provided by the Respondent, as pointed out in the Complainant's rebuttal document, the initial burden of proving the assessment incorrect rests with the Complainant and, as stated above, the evidence provided by the Complainant did not prove this.

[23] The Board concludes that the 2012 assessment of the subject is correct, fair and equitable.

### **Dissenting Opinion**

[24] There was no dissenting opinion.

Heard commencing August 8, 2012.

Dated this 28<sup>th</sup> day of August, 2012, at the City of Edmonton, Alberta.

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Dean Sanduga, Presiding Officer

### **Appearances:**

Walid Melhem  
for the Complainant

Will Osborne  
for the Respondent