

NOTICE OF DECISION NO. 0098 24/12

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 June 19, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
8973273	4130 99 Street NW	Plan: 7520780 Block: 2 Lot: 9	\$3,574,000	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.

cc: YORK REALTY INC

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2012 ECARB 001046

Assessment Roll Number: 8973273

Municipal Address: 4130 99 STREET NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Ted Sadlowski, Presiding Officer

Brian Frost, Board Member

Reg Pointe, Board Member

Preliminary Matters

[1] Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. The Board members stated they had no bias with regard to this file.

Background

[2] The subject property is a 34,966 square foot average quality warehouse. It is situated on a 100,215 square foot lot, exhibiting a 35% site coverage, in the Strathcona Industrial Park in Southeast Edmonton and is municipally described as 4130 – 99 Street NW. The subject property was built in 1968, coincidental with its effective age and is assessed at \$3,574,000.

Issue(s)

[3] Is the subject property assessed too high?

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] It was the position of the Complainant that the assessment of the subject property is excessive. In support of this, the Complainant entered into evidence its Brief (Exhibit C-1) and rebuttal (Exhibit C-2).

[6] The Complainant stated that the property was purchased in July 2008. Within the Brief, a sale detail report (page 52) confirmed that the property sold for \$3,400,000. The Complainant confirmed that the building was in need of roof repairs and Goodwin Room Inspections & Consulting (1999) Ltd. estimated the cost to replace to existing roof system would be \$256,000 (Exhibit C-1, page 28).

[7] The Complainant summarized an appraisal that was completed in May 2008 (Exhibit C-1, pages 9-50) which estimated the value of the property to be \$3,450,000 effective May 21, 2008.

[8] The Complainant provided a copy of the City of Edmonton's 2012 Industrial Monthly Time Adjustment Factors (C-1, page 57) which indicated that there was a 7.24% decrease in industrial values in the period May 2008 to the July 1, 2011 valuation date for the subject assessment. The Complainant stated that due to the fact that the subject property sold for \$3,400,000 in July 2008 and values have fallen 7.24% since then, the 2011 assessment of \$3,574,000 is too high and should be reduced to \$3,172,000. This is the result of applying the City's industrial monthly time adjustment factor to the subject property valuation. The Complainant further stated that, based on the application of a 7.24% reduction to the May 2008 appraisal, the 2011 appraised value would be \$3,200,000, which supports the requested reduced assessment of \$3,172,000.

[9] On page 2 of the rebuttal (C-2) the Complainant critiqued the Respondent's sales comparables. The Complainant stated that, at 22%, the Respondent's first comparable had a substantially lower site coverage as opposed to the subject's 35% site coverage. The Complainant also stated that the Respondent's third comparable was significantly newer than the

subject and should not be considered. The seventh comparable, additionally, featured more lab space and less office space than the subject, which renders it a poor comparable sale.

Position of the Respondent

[10] It was the position of the Respondent that the assessment of the subject property is correct. In support of this the Respondent entered into evidence its Brief (Exhibit R-1).

[11] Within the Brief, charts outlined six sales comparables (page 21). The sales comparables detailed sales of similar properties which reflected a time adjusted sales price ranging between \$124.36 and \$146.07 per square foot of total leasable building area. On the basis of these sales comparables, the Respondent requested the assessment at \$127.16 per square foot be confirmed.

Decision

[12] The Board confirms the 2012 assessment.

Reasons for the Decision

[13] The Board is mindful of the Respondent's statement that the burden of proof lay with the Complainant in establishing that the assessment is incorrect. The Complainant's evidence and rebuttal were reviewed in an effort to determine if the Complainant's evidence was sufficient to sway the Board to reduce the Assessment.

[14] The Board is cognizant of the Complainant's argument that the Respondent's comparable sales and equity comparables were as many as 14 years newer than the subject. The Board further notes that the Respondent's seventh sale comparable was substantially renovated and contains a high percentage of office space and lower site coverage than the subject.

[15] The Board considered the Complainant's argument that the property sold for \$3,400,000 in July 2008 and that when time adjusted to the current assessment's valuation date, this suggests a current value of \$3,172,000. The Board, however, believes that the 2008 purchase price takes into account some reduction in consideration of the imminent roof replacement at a cost of \$256,000.

[16] The Board reviewed the Complainant's position regarding the appraisal. The Board is not convinced that a three year old appraisal should or could be time adjusted to bring it current. The comparable sales would likely not be consistent between the appraisal and current valuation date, nor would the subject building condition. Evidence given indicated that the roof replacement occurred prior to the July 1, 2011 valuation date.

[17] The Board considered the Complainant's position that the Respondent's first sale comparable was superior to the subject due to lesser site coverage, and the second comparable was dissimilar due to age. The Board is satisfied, however, that the time adjusted sale prices per square foot of \$112.11 and \$127.94, in spite of the differences, support the subject property assessment \$102.21 per square foot. The Board acknowledges that the Respondent's seventh sale

was not a good comparable given its substantial renovation and interior finish, however the Board is satisfied that its exclusion as a comparable sale does not prejudice the assessment.

[18] The Board determines that the Complainant has failed to discharge his onus of disproving the current assessment and that the assessment should be confirmed.

Dissenting Opinion

[19] There was no dissenting opinion.

Heard commencing June 18, 2012.

Dated this 25th day of June, 2012, at the City of Edmonton, Alberta.

Ted Sadlowski, Presiding Officer

Appearances:

Walid Melhem, Altus Group
for the Complainant

David Dahl, City of Edmonton
Joel Schmaus, Assessor, City of Edmonton
for the Respondent