

**NOTICE OF DECISION      NO. 0098 44/12**

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 25, 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>
8487159	4435 99 STREET NW	Plan: 7521204 Block: 7 Lot: 10A	\$4,142,000	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 1034**

**Assessment Roll Number:** 8487159  
**Municipal Address:** 4435 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**  
**Robert Mowbrey, 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 stated they had no bias on this file.

[2] Witnesses giving testimony were either sworn in or affirmed, the choice being that of the individual witness.

[3] Evidence, argument and submissions are carried forward to this file from #8480097 and #8481095 where applicable.

[4] At the outset of the hearing, the Respondent advised the Board that there was a recommendation that the current assessment of the subject be reduced to \$4,117,000. The recommendation was based on a data correction made to the subject by the Respondent. The Complainant did not agree to this recommended change to the assessment and the matter proceeded to a hearing on the merits.

### **Background**

[5] The subject property is a single medium warehouse with a total area of 36,864 square feet. The subject property was built in 1974 and is considered in average condition. The subject property has a 2012 assessment of \$4,142,000.

### **Issue**

[6] Is the assessment of the subject property in excess of its market value?

## **Legislation**

[7] 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**

[8] The Complainant filed this complaint on the basis that the assessment of the subject at \$4,142,000 exceeds its market value. In support of this position, the Complainant presented six sales comparables that had been time adjusted using the City of Edmonton time adjustment factors.

[9] The comparables were of a similar age to the subject. The leasable building areas of these comparables ranged from 18,534 square feet to 64,530 square feet. Site coverages ranged from 35% to 46%. The time adjusted prices per square foot of leasable building area ranged from \$74.61 to \$112.48 with an average value of \$93.88 and a median value of \$95.11 (Exhibit C-1, page 8). Comparables #2 and #6 were multi building properties as compared to the single building on the subject property. The Complainant also noted for the Board that a substantial portion of the subject was finished office space.

[10] The Complainant indicated to the Board that, in consideration of the attributes of the subject such as age, size, location and site coverage, an appropriate value for the subject would be \$95 per square foot or \$3,502,000 in total.

[11] In further support of its position that the current assessment of the subject was in excess of its market value, the Complainant presented an appraisal of the subject dated October 14, 2009 (Exhibit C-1, page 43-88). The Complainant pointed out to the Board that this appraisal indicated an appropriate value for the subject pursuant to the direct sales approach of \$3,500,000. The Complainant submitted to the Board that since there had been a negative correction to the market since the date of the appraisal, a value of \$3,416,500 would be appropriate (Exhibit C-1, page 9).

[12] During questioning by the Respondent, the Complainant stated that all of the sales comparables were in average condition unless otherwise indicated.

[13] The Complainant requested that the Board reduce the current assessment of the subject to \$3,416,500.

## **Position Of The Respondent**

[14] The Respondent explained to the Board that the assessment of the subject and similar assessments were prepared using the direct comparison assessment methodology.

[15] The Respondent stated that sales occurring from January 2008 through June 2011 were used in the model development and testing. Factors found to affect value in the warehouse inventory were the location of the property, the size of the lot, the age and condition of the buildings, the total floor area of the main floor (per building), the amount of finished area on the main floor as well as developed upper area (per building) (Exhibit R-1, page 7).

[16] The most common unit of comparison for industrial properties is value per square foot of building area. When comparing properties on this basis, it is imperative that the site coverage be a key factor in the comparison (Exhibit R-1, page 8).

[17] The Respondent defended the assessment of the subject by presenting to the Board seven sales of comparable property (Exhibit R-1, page 15). The ages of these comparables ranged from 1972 to 1986 and the site coverages ranged from 28% to 46%. The total building area ranged from 15,089 square feet to 41,991 square feet. The time adjusted sales prices per square foot ranged from \$97.70 to \$141.09. The Respondent advised the Board that the sales comparables #1 and #6 were identical to the sales comparable #1 and #4 of the Complainant.

[18] The Respondent argued to the Board that the time adjusted prices per square foot of the comparable sales presented by the Respondent supported the assessment of \$111.68 per square foot for the subject.

[19] The Respondent noted for the Board that the 2009 appraisal for the subject property was prepared by Altus Group, agent for the Complainant, for the purpose of financing. As well, the Respondent noted that at least one sale comparable used in the direct sales methodology contained in that appraisal was in a different municipality.

[20] The Respondent advised the Board that the Complainant's sale comparable #2 (4900 93 Avenue NW) had plumbing and foundation problems at the time of sale which would make this comparable of less assistance in establishing value for the subject (Exhibit R-2, page 22). As well, the Respondent pointed out to the Board the discrepancy in size in comparable #1 for each of the Respondent and the Complainant. (7324 76 Avenue NW). In the Respondent's chart, the total main floor area is 15,089 square feet with a site coverage of 37% while in the Complainant's chart the size is 18,545 square feet with site coverage of 46%. The Respondent submitted that the Complainant had incorrectly included some area of a cold storage building in poor condition (Exhibit R-1, page 16). In addition, the Respondent pointed the Board to the Complainant's sales comparable #5(4130 99 Street NW), which had required a roof repair and in the opinion of the Respondent, would lower the purchase price.

[21] The Respondent requested that the Board confirm the recommended 2012 assessment of the subject at \$4,117,000.

## **Decision**

[22] The decision of the Board is to confirm the recommended 2012 assessment of the subject at \$4,117,000.

## **Reasons For The Decision**

[23] The Board is of the opinion that there are significant issues with the sales comparables presented by the Complainant for the purpose of establishing value for the subject. The Complainant's sales comparable #1 contains a significant error in size. When this is corrected the time adjusted price per square foot is \$122.27 per square foot. This supports the assessment of the subject.

[24] The Board also notes the problems with the Complainant's sales comparables # 2, which had plumbing and foundation problems at the time of sale and #5, which requires a roof repair. In the opinion of the Board, these factors make those comparables of less assistance in establishing value for the subject.

[25] With respect to the remaining sales comparables presented by the Complainant, the time adjusted price per square foot of #4 supports the assessment of the subject. The Complainant's sales comparables #3, while on a major artery similar to the subject, contains significant upper floor space while the subject does not have such space. Furthermore, the Board was presented with evidence that this comparable was leased at below market rates at the time of sale. In the opinion of the Board, this would have a downward effect on the purchase price. The Complainant's sales comparable #6 is only half the leasable building area of the subject.

[26] With respect to the appraisal presented by the Complainant, the Board placed less weight on this evidence since it was prepared by Altus Group in 2009 for the purpose of mortgage financing and one of the sales comparables used in that appraisal to establish value for the subject was in Sherwood Park.

[27] 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 recommended 2012 assessment of the subject at \$4,117,000.

## **Dissenting Opinion**

[28] There was no dissenting opinion.

Heard commencing June 25, 2012.

Dated this 4th day of July, 2012, at the City of Edmonton, Alberta.

---

Robert Mowbrey, Presiding Officer

## **Appearances:**

Walid Melhem, Altus Group  
for the Complainant

Mary-Alice Nagy, City of Edmonton  
Tanya Smith, City of Edmonton  
for the Respondent