

NOTICE OF DECISION NO. 0098 71/12

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 11, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9538109	6312 50 STREET NW	SE 23-52-24-4	\$47,937,500	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: CV INVESTMENT HOLDINGS INC

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, ECARB 2012-001081

Assessment Roll Number: 9538109

Municipal Address: 6312 50 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
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.

[2] The Respondent advised that they had not submitted disclosure to either the Complainant or the Assessment Review Board administration. Both parties requested the hearing proceed without Respondent disclosure.

Background

[3] The property is 2,596,340 square feet (59.6 acres) in size and located in the Roper Industrial Subdivision along a major north south access in the east end of the City. The property is described as a medium warehouse complex and has a building area of 374,620 square feet.

Issue(s)

The Board considered the following issues:

[4] Is the 2012 Assessment of the land on the subject property fair and equitable?

[5] Is the 2012 Assessment of the improvements on the subject property fair and equitable?

Legislation

[6] 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

[7] The Complainant based his argument in large part on two items. The first was the Marshall & Swift Valuation Guide (M&S), and secondly, the construction cost information provided by the builder of the building which supported the complainant's interpretation of the M&S value.

[8] The Complainant argued that the value of the improvements of the subject was excessive. The Complainant contends that the correct improvement value affixed to the property, based on M&S, as applied to building #2, results in a reduction from \$19, 417,700 to \$18, 041,304.

[9] The Complainant warranted that they were familiar with the M&S procedures for valuation of property, and they had arrived at a total value of \$8,545, 596 for building #2.

[10] The Complainant pointed out that the construction cost provided by the builder, Oxford Properties (C-1 pg 19), a nationally recognized owner/developer, was \$8,545,596, or very close to the value derived from the M&S pricing manual.

[11] The Complainant argued that the value of the land portion of the subject was excessive. He provided a chart of sales of comparable land for the Board to consider (C-1, page 9) that showed time adjusted sales ranging from \$9.23 to \$11.94 with an average of \$10.28 per square foot. He indicated that the value to be applied to the land portion of the subject should be \$9.25 per sq. ft., given the average time adjusted sale price per square foot of the comparables and adjusting downwards for the much larger site size of the subject.

Position Of The Respondent

[12] With the agreement of the Complainant, the Respondent submitted photographs (R-2) of the property and a Law and Legislation brief (R-1).

[13] The Respondent argued that the land comparables provided by the Complainant were less valuable interior locations and that two of the comparables, #3 and #4, fall in line with the assessed amount.

[14] The Respondent argued that the cost proposed by the Complainant for building #2 was too low in that it did not include approximately \$1,400,000 for tenant improvements. This would bring the value of building #2 to \$9,924,912.

[15] The Respondent argued that the Complainant has failed to meet the onus of providing compelling evidence to support his arguments.

Decision

[16] The Board reduces the 2012 Assessment of the land associated with the subject property from \$28,519,927 to \$26,690,375 for a total revised 2012 Assessment of \$46,108,000.

Reasons For The Decision

[17] The Board is persuaded that the comparables presented by the Complainant tend to support the Complainant's request to reduce the assessment of the land associated with the subject property.

[18] While the Board recognizes that a portion of the subject property fronts on 50th Street, a major roadway as agreed to by both parties, most of the property could be described as being in an interior location, similar to the comparables.

[19] Therefore the Board deems it reasonable, fair and equitable that an average of the time adjusted sales price for the four sales comparables at \$10.28, presented by the Complainant, represents fair value for the subject property resulting in a land value of \$26,690,375.

[20] The Board was not persuaded by the evidence presented by the Complainant with respect to the improvements on the subject property as there was no supporting evidence from the Marshall & Swift Valuation Guide to substantiate the request for a reduction.

[21] In addition, the Respondent indicated that tenant improvements were not included in the supporting evidence provided by the Complainant from Oxford Properties. As such, the Complainant did not, in the opinion of the Board, satisfy the onus with respect to the request to reduce the assessment on the improvements to the subject property.

Dissenting Opinion

[22] There is no dissenting opinion.

Heard commencing July 11, 2012.

Dated this 12th day of July, 2012, at the City of Edmonton, Alberta.

Hatem Naboulsi, Presiding Officer

Appearances:

Walid Melhem, Altus Group
for the Complainant

Steve Radenic, Assessor, City of Edmonton
Tanya Smith, Legal Counsel, City of Edmonton
for the Respondent