

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 00799

Assessment Roll Number: 9968547

Municipal Address: 11604 149 Street NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Harold Williams, Presiding Officer
Martha Miller, Board Member
Mary Sheldon, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer the parties before the Board indicated no objection to the Board's composition. In addition, the Board Members indicated no bias with respect to this file.

Preliminary Matters

[2] There were no preliminary matters. The parties agreed that evidence, argument and submissions will be carried forward where applicable from roll number 10177253 to this file.

Background

[3] The subject property is located in the Garside Industrial subdivision. It is an industrial warehouse property containing three buildings. Building #1 was built in 1973 and contains 46,078 square feet. Building #2 was built in 1975 and contains 40,959 square feet. Building #3 was built in 1999 and contains 36,479 square feet for a total of 123,516 square feet for the three buildings.

Issues

[4] Is the 2013 assessment of the subject property correct when considering sales of similar properties?

[5] Is the 2013 assessment of the subject property fair and equitable when compared to assessments of similar properties?

Legislation

[6] The *Municipal Government Act, RSA 2000, c M-26*, reads:

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] In support of the position that the current assessment of the subject is not correct, fair and equitable, the Complainant provided an assessment brief to the Board (Exhibit C-1, 55 pages).

[8] With respect to the position that the subject assessment was not in line with market value, the Complainant provided a chart of the sales of four properties which, in the opinion of the Complainant, were similar to the subject. The Complainant submitted that the ages, site coverages and building areas of the comparables were within an acceptable range of the age (1981), site coverage (37%) and leasable building area (123,520 sq. ft.) of the subject.

[9] The Complainant stated that the average time adjusted sale price of the comparables was \$85.13 per square foot and that a value of \$87.00 per square foot was appropriate to apply to the subject. This would result in a value of \$10,746,000 for the subject which is less than the current assessment of \$13,063,000.

[10] The Complainant also submitted that the assessment of the subject was not equitable when compared with the assessments of similar properties. In support of this argument, the Complainant provided a chart of the assessments of eight properties. The Complainant argued that these properties were similar to the subject in terms of age, size, location and site coverage. The assessments per square foot of leasable building area of these comparables ranged from \$83.37 to \$94.21. The Complainant argued that this evidence supported a value of \$83 per square foot for the subject. This would result in a total assessment of \$10,252,000 for the subject.

[11] The Complainant requested that the Board reduce the current assessment of the subject to \$10,252,000.

[12] After the Respondent's presentation, the Complainant provided a rebuttal document to the Board (Exhibit C-2, 18 pages).

[13] The Complainant also submitted that many of the Respondent's sales comparables were significantly smaller than the subject. Some were located in the south side of Edmonton in contrast to the subject's location on the north side. Others were newer than the subject and one was not located on an arterial roadway. The Complainant also pointed out that the Respondent's equity comparables had very different percentages of office space than did the subject. In the opinion of the Complainant, these factors make the sales and equity comparables provided by the Respondent of limited assistance in establishing market value for the subject.

[14] The Complainant repeated the request that the Board reduce the current assessment of the subject to \$10,252,000.

Position of the Respondent

[15] The Respondent presented evidence (Exhibit R-1) and argument, in support of the position that the current assessment of the subject property is correct, fair and equitable.

[16] The Respondent identified the issues of the complaint and provided a detailed response (Exhibit R-1, page 21-22) to each of the sales and equity issues. This included reference to legislation, onus in process, review of evidence of the Complainant and the inclusion (later in the Respondent's submission) of both sales and equity comparables to support the current assessment.

[17] The Respondent provided six sales comparables for subject property (Exhibit R-1, page 23) in support of the 2013 assessment of \$106.00 per square foot.

[18] The Respondent confirmed the properties provided by the Respondent and the Complainant were different and there were no comparables in common.

[19] The Respondent re-charted the Complainant's sales comparables and evaluated the comparables consistent with the standards of the Respondent. The Respondent argued that there were deficiencies in each of the Complainant's sales comparables including comparable #1 (shape of lot), comparable #2 (lead tenant sale), comparable #3 (vacant at time of sale), and comparable #4 (sprinkler system required).

[20] The Respondent provided evidence (Exhibit R-2) for the Board, confirming the percentage of office area for each of the city's equity comparables.

[21] In summary, the Respondent requested the 2013 assessment of the subject property be confirmed at \$13,063,000.

Decision

[22] The decision of the Board is to confirm the 2013 assessment of the subject property at \$13,063,000.

Reasons for the Decision

[23] The Board reviewed information provided by the Complainant on 4 direct sales comparison properties. These properties were shown to be generally grouped in the north west quadrant of the City. The Board found that there were enough differences in terms of building sizes, office finish, and site coverage between the comparables and the subject property to question if the comparables were of any direct assistance in determining value. It was also agreed by the parties after cross questioning that Complainant sales comparison #2 was a lead tenant purchase and that comparison #3 was vacant at time of sale. It was observed by the Board that the lot shape in terms of comparison #1 is different than the subject property and a sprinkler system is required for comparison #4. In the opinion of the Board these are factors that could have had an effect on the sales prices and therefore the Board was not able to place great weight on the provided sales information.

[24] The Board reviewed information provided by the Respondent on 6 direct sales comparison properties. These properties were shown to be located throughout the City. Although these comparables were generally shown to be similar in terms of building sizes and site coverage, there were evident dissimilarities in office finish and location within the City.

[25] The Board reviewed 8 assessment equity comparables provided by the Complainant. These comparables were shown to be generally in a similar geographic area of the City. Although there were similarities in items such as industrial grouping and in a number of the site coverage amounts, there were very evident differences in building sizes within the properties and a number of differences in total building area. Considering these differences the Board was places little weight on the information to show that the assessment of the subject property is not fair and equitable.

[26] The Board reviewed 5 assessment equity comparables provided by the Respondent. These comparables were shown to be in a generally similar geographic location within the City. However, at least two of the comparables were dissimilar in terms of building size, age as well as site coverage. The Board considered comparable #5 to be the most similar to the subject property. Although there is likely an issue of value adjustment given the differences in lot size, total building area and site coverage, the assessment levels are very similar.

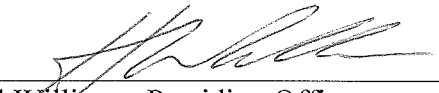
[27] Although the Board noted deficiencies in the Respondent's direct sales comparisons and in the Respondent's assessment equity comparables, it is the Board's view that responsibility rests with the Complainant to provide sufficiently compelling evidence that would indicate an error in the assessment of the subject property. It is the Board's opinion that such evidence was not provided by the Complainant in terms of the direct sales comparison approach or in terms of assessment equity comparisons in this case.

Dissenting Opinion

[28] There was no dissenting opinion.

Heard June 25, 2013.

Dated this 11th day of July, 2013, at the City of Edmonton, Alberta.



Harold Williams, Presiding Officer

Appearances:

Adam Greenough

Kerry Reimer

for the Complainant

Cam Ashmore

Jason Baldwin

for the Respondent

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.