

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 00803

Assessment Roll Number: 10177253

Municipal Address: 17175 129 Avenue 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 this roll number 10177253 to subsequent files 9968547, 10013351, 10161899, 10032807.

Background

[3] The subject property is located in the Kinokamau Plains subdivision. It is an industrial warehouse property consisting of two buildings constructed in 2011 with a total square footage of 327,600 and an office area of 11,144 square feet. Site coverage is 32.0%

Issue

[4] Is the 2013 assessment of the subject property at \$35,971,500 fair and equitable when compared to assessments of similar properties?

Legislation

[5] 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

[6] The Complainant presented the Board with a chart of the assessments of six properties in support of its position that the assessment of the subject was not fair and equitable when compared with the assessments of similar properties (Exhibit C-1, page 12).

[7] The Complainant pointed out to the Board that the ages of these comparables ranged from 2000 to 2007 and the site coverages ranged from 32% to 47%. The Complainant argued that these characteristics were similar to the age (2011) and site coverage (32%) of the subject. The Complainant also argued that these equity comparables were all located in the same location of the City as the subject property.

[8] The Complainant stated that the assessments per square foot of leasable building area of the comparables ranged from \$79.59 to \$97.96 and that this demonstrated that the assessment of the subject property at \$109.80 per square foot was excessive.

[9] The Complainant submitted that an average value per square foot of these comparables was \$87.00 per square foot and that this value should be applied to the subject property. The Complainant stated that this would produce a value of \$28,501,000 for the subject property which would be fair and equitable.

[10] The Complainant requested that the Board reduce the current assessment of the subject property to \$28,501,000.

[11] The Complainant presented a rebuttal document (Exhibit C-2) to the Board. In the rebuttal, the Complainant pointed out that all of the Respondent's equity comparables had much less gross building area than the subject property and all had significantly more office space. In addition, the Complainant stated that only two of the Respondent's comparables were located in the same quadrant of the City and in the same industrial group as the subject property. The Complainant argued that these factors made the Respondent's comparables of little assistance in establishing value for the subject and did not support a reduction to the assessment.

[12] In addition, The Complainant advised the Board that the sale of the subject property presented by the Respondent ought not to be considered by the Board as the sale took place in September, 2012, subsequent to the valuation date of July 1, 2012.

[13] The Complainant repeated the request that the Board reduce the assessment of the subject to \$28,501,000.

Position of the Respondent

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

[15] The Respondent provided seven equity comparables for the subject property (Exhibit R-1, page 24) in support of the 2013 assessment.

[16] The Respondent provided information of the market sale of the subject property as of September 2012 in order to show market trends and in support of the 2013 assessment.

[17] The Respondent's equity comparables (Exhibit R-1, page 24) and the Complainant's equity comparables (Exhibit C-1, page 12) demonstrated to the Board that there were no equity comparables in common.

[18] The Respondent re-charted the Complainant's equity comparables (Exhibit R-1 page 25, and pages 26-37) for the Board and evaluated the comparables consistent with the standards of the Respondent. The Respondent argued that deficiencies were found in all comparables in one or more of the factors affecting value.

[19] The Respondent's equity comparables had factors affecting value for each while noting equity comparable #3 (Exhibit R-1, page 24) was the strongest comparator to the subject property.

[20] In summary, the Respondent requested the 2013 assessment of the subject property be confirmed at \$35,971,500.

Decision

[21] The decision of the Board is to confirm the 2013 assessment of the subject property at \$35,971,500.

Reasons for the Decision

[22] The Board reviewed 6 assessment comparables provided by the Complainant. These comparables were shown generally to be in proximity of each other in the north west quadrant of the City, however they were also shown to be noticeably older in age. They also showed site coverage noticeably larger than that of the subject property. Only one of the comparables consisted of two buildings like the subject property.

[23] The Board reviewed 7 assessment comparables provided by the Respondent. These comparables were not all generally grouped in proximity to each other within a particular quadrant of the City, however they were shown to be similar in age and site coverage. There

were a number of dissimilarities to the subject property among the Respondent's comparables including industrial grouping, lot size, building size, and office finish.

[24] However after reviewing assessment comparables provided by both parties the Board placed some weight on assessment comparable #1 (roll number 10167183) provided by the respondent. The comparable was shown to be in the same industrial grouping (17) as the subject property and was very close in site coverage as well as acceptable in a comparable age difference. Comparable #1 also showed the same \$110 assessment rate per square foot as the subject property.

[25] The Board also reviewed the information on the *post facto* sale of the subject property as presented in the Respondent's evidence. The sale occurred September 5, 2012, some 5 weeks after the valuation date of July 1, 2012. The Board did not place weight on the sale in its decision and agrees with the Respondent's evidence (Exhibit R#1, p. 40) that a *post facto* sale can be reviewed for market trending indications but cannot be used for setting current value.


[26] In the Board's view, 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 in this case.

Dissenting Opinion

[27] There was no dissenting opinion.

Heard June 25, 2013.

Dated this 10th day of July, 2013, at the City of Edmonton, Alberta.


Harold Williams, Presiding Officer

Appearances:

Adam Greenough

Kerry Reimer

for the Complainant

Cam Ashmore

Suzanne Magdiak

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.