

## **Edmonton Composite Assessment Review Board**

**Citation: Altus Group v The City of Edmonton, 2013 ECARB 00875**

**Assessment Roll Number:** 9993370

**Municipal Address:** 3804 16A 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**  
**Shannon Boyer, Presiding Officer**  
**Jasbeer Singh, Board Member**  
**Taras Luciw, Board Member**

---

### **Procedural Matters**

[1] Upon questioning by the Presiding Officer, the parties indicated no objection to the Board's composition. As well, the Board Members indicated no bias with regard to this file.

### **Preliminary Matters**

[2] Evidence, argument and submissions were carried forward to this file from #2950202, #4204012 and file #9993369, where relevant.

### **Background**

[3] The subject property is a 62 unit, 2 storey, row house complex known as Tamarack West, (the subject property) located at 3804 – 16A Avenue NW, Edmonton. It was built in 1980 with an effective year built of 1995. It comprises 26 – 2 bedroom units, 16 – 2 bedroom plus den units and 20 – 3 bedroom units. The 2013 assessment is \$9,471,500.

## **Issue**

[4] What is the appropriate Gross Income Multiplier (GIM) to be applied to the subject property?

## **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 filed this complaint on the basis that the subject property assessment of \$9,471,500, arrived at with a GIM of 11.78, was in excess of the market value. In support of this position, the Complainant presented a 38 page brief (Exhibit C-1) and a two page document (Exhibit C-2) which was an enlarged copy of pages 15 and 16 of exhibit C-1.

[7] The Complainant advised the Board that although several issues were identified at the time of filing the complaint, the only issue outstanding before the Board was the GIM (Exhibit C-1, page 8).

[8] The Complainant argued that the assessed GIM of 11.78 is excessive as sales of similar properties indicated a market GIM of 10.23. Following a review of investment sales of multi-residential properties larger than 40 units that occurred between July, 2009 and July, 2012, the Complainant concluded that in some cases the GIM used by the City of Edmonton is significantly higher than indicated by the market (C-1, page 8).

[9] The Complainant provided a detailed GIM analysis of 6 comparable multi-residential properties that sold between April, 2011 and April, 2012 (C-1, page 15). The analysis concluded a median GIM of 10.23 (C-2, page 1) as better reflecting the market. When applied to the Effective Gross Income of the subject, it results in a requested value of \$8,222,000 (C-1, page 13). The information on the sales comparables was derived from The Network, a third party source for sales reports (C-1, pages 21 to 26).

[10] To further support a reduction in the GIM, the Complainant provided an Equity Analysis of 8 similar row housing projects in suburban Edmonton. The median assessed GIM was 10.63, well below the 11.78 used by the City of Edmonton for the subject property (C-1, page 17).

[11] As additional support for the value of \$8,222,000, the Complainant included a Direct Sales Analysis (C-1, page 16) wherein an adjustment factor was calculated based on the ratio of the subject's and the comparable property's net operating income (per suite) to derive an adjusted sale price per suite for each of the comparables. This calculation provides a median adjusted value of \$132,619 per suite for the subject.

[12] The Complainant requested a reduction in the 2013 assessment from \$9,471,500 to \$8,222,000.

### **Position of the Respondent**

[13] In support of the assessment, the Respondent presented written evidence (Exhibit R-1, containing 67 pages and Exhibit R-2, containing 85 pages) and oral argument for the Board's review and consideration.

[14] The Respondent submitted five sales comparables of low rise properties whose GIMs ranged from 10.33 to 14.80 with a median of 11.72 (R-1, page 34). The GIM of the subject is in the low end of this range at 11.78. The Respondent noted that the subject is newer than three of the comparable properties and should be higher in the GIM range.

[15] The Respondent also submitted three row house sales (mainly three bedroom) whose GIMs ranged from 11.33 to 12.77, compared to the subject's 11.78 (R-1, page 40).

[16] Additionally, the Respondent provided equity comparables of 12 row houses located in market area 9, the subject's location. The per suite assessments ranged from \$151,083 to \$160,420, while the subject, at \$152,766, was in the lower end of the range (R-1, page 44). These comparables support the subject's assessment as being fair and equitable.

[17] The Respondent noted that if the Complainant's methodology of using actual rents was applied, the assessment would increase as the actual rents are higher than the potential gross income used by the Respondent (C-1, pages 46 and 47).

[18] The Respondent requested that the 2013 assessment in the amount of \$9,471,500 be confirmed.

### **Decision**

[19] The Board confirms the 2013 assessment in the amount of \$9,471,500.

### **Reasons for the Decision**

[20] The Board considered the evidence and arguments as presented by the parties and places greatest weight on the Respondent's sales comparables with their median GIM of 11.72 which supports the subject's GIM of 11.78. The Board noted the Respondent's comment that the subject is newer than three of the comparable properties and should be higher in the GIM range.

[21] The Board also accepts the Respondent's equity comparables of 12 row houses, similar in effective age and all located in market area 9, the subject's location. With the per suite assessments ranging from \$151,083 to \$160,420 and with the subject, at \$152,766, being in the lower end of the range (R-1, page 44), the Board finds these comparables support the subject's assessment as being fair and equitable.

[22] The Board places less weight on the Complainant's adjusted GIM analysis and adjusted Direct Sales Analysis (C-2). The methodology of calculating the adjustment factor was not supported by any evidence of its acceptance and use in industry or for mass appraisal by a municipality.

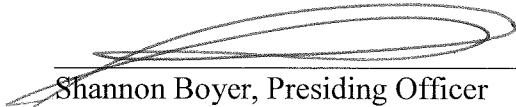
[23] Jurisprudence has established that the onus of showing an assessment is incorrect rests with the Complainant. The Complainant did not provide sufficient and compelling evidence for the Board to conclude that the assessment was incorrect. Accordingly, the Board accepts the recommendation of the Respondent and confirms the 2013 assessment of the subject at \$9,471,500.

### **Dissenting Opinion**

[24] There was no dissenting opinion.

Heard July 12, 2013.

Dated this 25<sup>th</sup> day of July, 2013, at the City of Edmonton, Alberta.

  
Shannon Boyer, Presiding Officer

### **Appearances:**

Brett Flesher  
for the Complainant

Amy Cheuk  
Devon Chew  
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.*