

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01092

Assessment Roll Number: 10290167

Municipal Address: 3844 A LLAN DRIVE SW

Assessment Year: 2013

Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Robert Mowbrey, Presiding Officer
Jack Jones, Board Member
Robert Kallir, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board members stated they had no bias on this file.

Preliminary Matters

[2] During the hearing, the Respondent recommended that the 2013 assessment of the subject property be reduced to \$2,236,000 from \$2,345,500. The recommendation was based on three sales and three equity comparables to show that the RF5 parcel has been assessed around \$20 per square foot. The Complainant did not accept the recommendation.

Background

[3] The subject property is an 111,812 square foot undeveloped multi-residential property zoned RF5. The subject property has full municipal standard services and has an assessment of \$2,345,500 for the year 2013.

Issue(s)

[4] What is the market value of 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 \$2,345,000 was inequitable and in excess of market value. In support of this position, the Complainant presented the Board with a 43 page evidence package marked as Exhibit C-1. In addition, the Complainant presented the Board with a 78 page rebuttal evidence package marked as Exhibit C-2.

[7] The Complainant advised the Board that the subject property had been purchased for \$1,965,000 in May 2012 (Exhibit C-1 page 15).

[8] In addition, the Complainant presented three sales comparables that have been time adjusted using the City of Edmonton’s factors. The sales comparables are all undeveloped land that is zoned RF5. The sales comparables have a median time adjusted selling price per square foot of \$17.76 (Exhibit C-1 page 8).

[9] The Complainant advised the Board of legal opinions regarding the sale of a property close to the valuation date (Exhibit C-1 pages 33-43); specifically quoting:

“I think that generally speaking the recent sales price, if available as it was in this case, is in law and, in common sense, the most realistic and most reliable method of establishing market value. (697604 Alberta Ltd. v. Calgary (The City of), [2005] ABQB 512 at para 24)

In my view, the foregoing errors demonstrate a failure on part of the MGB to reasonably apprehend and apply the evidence before it to the principles of valuation set out in the applicable legislation. In particular, the MGB unreasonably refused to consider evidence of a recent sale that fell squarely within the statutory definition of market value. (at para 30)”

[10] During argument, the Complainant stated that two of the City's sales comparables are not comparable. One of the comparables is twice the size of the subject property and another comparable is one-half the size of the subject property. The Complainant reiterated that the recent sale of the subject property is the best indicator of market value.

[11] Also, the Complainant stated that there was no challenge regarding the equity issue related to this appeal.

[12] During rebuttal, the Complainant advised the Board that while the Respondent utilized the sale of the subject property in its sales comparable analysis, the City's further two comparables should be discarded as they are in a different market area than the subject property (Exhibit C-2 page 6).

[13] The Complainant requests the Board to reduce the 2013 assessment of \$2,345,500 to \$1,985,500 based on the recent sale of the subject property.

Position of the Respondent

[14] The Respondent defended the 2013 assessment by presenting the Board with a 44 page evidence package marked as Exhibit R-1.

[15] The Respondent presented three sales comparables to the Board that had an average of \$19.83 per square foot. The Respondent rounded the figure to \$20.00 per square foot and recommended the figure of \$2,236,000 to the Board, which was not acceptable to the Complainant (Exhibit R-1 page 11).

[16] In addition, the Respondent provided three equity comparables to the subject property, which had an average assessment per square foot of \$21.64. This compares very favorably with the 2013 assessment of \$20.98 per square foot for the subject property (Exhibit R-1 page 12).

[17] During argument, the Respondent advised the Board that one sale does not make a market and the City is legislated to use mass appraisal in the valuation of property within the City of Edmonton.

[18] The Respondent requested the Board accept the 2013 recommended assessment of \$2,236,000 from the current 2013 assessment of \$2,345,500.

Decision

[19] The decision of the Board is to reduce the 2013 assessment from \$2,345,500 to \$1,985,500.

Reasons for the Decision

[20] The Board believes that the best market indicator of value of a property is the sale of the subject property itself. The Board was persuaded by the sale of the subject property for \$1,965,000, some six weeks prior to the valuation date.

[21] The Board recognizes the Court of Queen's Bench of Alberta legal opinion put forth by the Complainant. The legal opinion stated, "I think that generally speaking the recent sale price, if available as it was in this case, is in law and, in common sense, the most realistic and most reliable method of establishing market value."

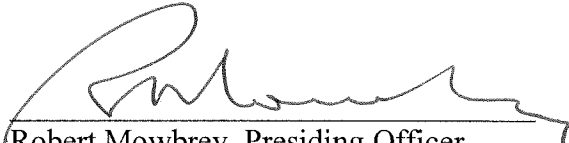
[22] The Board notes that both parties used the sale of the subject property as one of the sales comparables put forth in the evidence package.

Dissenting Opinion

[23] There is no dissenting opinion.

Heard commencing June 27, 2013.

Dated this 3rd day of July, 2013, at the City of Edmonton, Alberta.



Robert Mowbrey, Presiding Officer

Appearances:

Brett Flesher
for the Complainant

Ning Zheng
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.