

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01222

Assessment Roll Number: 2193076

Municipal Address: 11815 145 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

Willard Hughes, Presiding Officer

James Wall, Board Member

Randy Townsend, 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 raised.

Background

[2] The subject property is a small single storey industrial warehouse located in the Dominion Industrial subdivision of Edmonton. The building area is 6,440 square feet, including 2,939 square feet of main floor office space. The building was constructed in 1966 and has a site coverage of 42%. The 2013 assessment is \$802,500, or \$124.61 per square foot.

Issue(s)

[3] Is the 2013 assessment of the subject property, at \$802,500, correct?

Legislation

[4] *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

[5] The Complainant provided the Board with a 43 page submission (exhibit C-1) in support of their position that the assessment of the subject property is not fair and equitable.

[6] The Complainant stated that the subject property's 2013 assessment was in excess of its market value based on the Direct Sales approach and also based on Comparable Assessments (equity).

[7] The Complainant provided the Board with three sales comparables (exhibit C-1, page 8) which indicated a time-adjusted sale price (TASP) range of \$65.45 to \$120.68 per square foot of leasable building area (LBA). This provided a median of \$105.37 per square foot and an average of \$97.17 per square foot.

[8] In response to a question from the Respondent, the Complainant acknowledged that their sales comparable #1 is an outlier and should be given less weight.

[9] The Complainant, based on the results of the Direct Sales Approach, requested the Board reduce the subject property's 2013 assessment from \$802,500 to \$644,000, or \$100.00 per square foot.

[10] The Complainant provided the Board with six Equity Comparables (exhibit C-1, page 9) which indicated a range of assessments from \$95.24 per square foot to \$125.12 per square foot. This provided a median of \$117.30 per square foot and an average of \$115.12 per square foot.

[11] The Complainant indicated that more weight has been placed on the equity comparables than the sales comparables.

[12] The Complainant, based on the results of the equity comparables, requested the Board reduce the subject property's 2013 assessment from \$802,500 to \$753,000, or \$117.00 per square foot.

[13] In conclusion, the Complainant indicated that the direct sales approach indicates property value should be \$644,000, and further that assessments on similar properties indicate an equitable value of \$753,000. Based on information provided, the Complainant requested the

2013 assessment for the subject property be reduced from \$802,500 to \$753,000, based on assessment comparables.

Position of the Respondent

[14] The Respondent provided the Board with a 72 page submission (exhibit R-1) in support of the assessment. The submission contained information on mass appraisal, factors affecting value, maps showing groupings of industrial property in three quadrants of the city, excerpts from The Appraisal of Real Estate, chart of Direct Sales Comparables, chart of Equity Comparables, and a Law and Legislation brief.

[15] The Respondent provided the Board with a chart of seven sales comparables (exhibit R-1, page 20). These comparables indicated a time-adjusted range of \$118.06 to \$166.42 per square foot of total area, and \$120.68 to \$224.56 per square foot of main floor area.

[16] The Respondent indicated that little weight should be placed on the Complainant's sales comparables as the Complainant is relying primarily on equity assessment comparables.

[17] The Respondent provided the Board with ten equity comparables (exhibit R-1, page 32). These comparables indicate a range of assessments from \$116.88 to \$139.25 per square foot.

[18] The Respondent's equity comparables #2 and #4 are the same as Complainant's comparables #6 and #1, respectively.

[19] The Respondent requested that the Board confirm the 2013 assessment of the subject property at \$802,500.

Rebuttal

[20] In response, the Complainant provided the Board with a 17 page Rebuttal document (exhibit C-2).

[21] The Rebuttal document provided a chart of "Equity Comparables Combined" (exhibit C-2, page 4). The chart was reduced from six to five comparables, all from Industrial Grouping number 17, which is the location of the subject.

[22] The Rebuttal document did not provide information on sales comparables.

[23] In summary, the Complainant requested that based on the equity assessment comparables provided, a reduction is warranted. The Complainant requests the 2013 assessment be reduced from \$802,500 to \$753,000, or \$117.00 per square foot.

Decision

[24] The decision of the Board is to confirm the 2013 assessment of \$802,500.

Reasons for the Decision

[25] The Board has reviewed both the Direct Sales comparables and the Equity comparables put forward by both parties, and finds the Respondent's comparables to be more convincing than the Complainants.

[26] One half of the Respondent's equity comparables are in the same Industrial Grouping (17) as the subject property, and the other half is located in a slightly higher value Grouping (18), representing a similar or superior comparison to the subject.

[27] The Complainant's equity comparables are considered by the Board to be inferior to the subject in terms of attributes such as location, and higher site coverage. Also, it is noted that two of the six Complainant's equity comparables are the same as the Respondent's equity comparables, leaving only four, as compared to nine for the Respondent.

[28] The Complainant's argument was for reduction based on equity comparables, rather than direct sales. The view of the Board is that direct sales comparables provide the best indicator of value.

[29] Regarding direct sales comparables, the Complainant provided only three sales comparables, of which comparable #1 is an outlier and given little weight. Complainant comparable #2 is the same as Respondent #1. This leaves one sale, comparable #3, which is located in a less desirable neighborhood grouping, requiring an upward adjustment. The Respondent has provided seven sales, considered to be generally comparable, and supportive of the assessment.

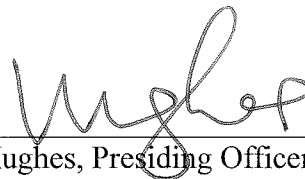
[30] Based on all evidence reviewed and argument put forward by both parties, the Board is of the opinion that the subject property's 2013 assessment at \$802,500 is fair and equitable.

Dissenting Opinion

[29] There was no dissenting opinion.

Heard commencing July 17, 2013.

Dated this 12th day of August, 2013, at the City of Edmonton, Alberta.



Willard Hughes, Presiding Officer

Appearances:

Adam Greenaugh, Altus Group
for the Complainant

Joel Schmaus
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.