

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01224

Assessment Roll Number: 1074640
Municipal Address: 831 77 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
Willard Hughes, Presiding Officer
James Wall, Board Member
Randy Townsend, Board Member

Procedural Matters

[1] No procedural matters were brought up by either party. There was no bias on the part of any of the Board members.

Preliminary Matters

[2] No preliminary matters were brought up by either party.

Background

[3] The subject property is a one storey sales warehouse of 5988 sq. ft., including 1490 sq. ft. of main floor office space, built in 1982. The parcel size is 38,965 sq. ft. Site coverage is 15.4%. The property is located at 831 – 77 Ave NW in an industrial subdivision known as Southeast (Annexed) Industrial. The assessment for the 2013 tax year is \$1,258,000 or \$210.07 per sq.ft.

Issue(s)

[4] Is the current assessed value for the subject property higher than market value as determined using the Direct Sales Comparison method and when compared to property assessments for 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 provided the Board with four sales comparables (exhibit C-1, page 8) of industrial properties in the vicinity of the subject property. Time-adjusted selling prices ranged from \$127.18 to \$223.16 per sq.ft. of main floor area. The average of these four sales is \$180.29 and the median is \$182.06 per sq.ft. The subject is currently at \$210.07 per sq. ft.

[7] Based on their sales comparison the Complainant has determined that the subject should be valued at \$192.00 per sq.ft.

[8] The Complainant also provided the Board a list of four equity comparables (exhibit C-1, page 9) with assessments ranging from \$183.76 to \$219.77 per sq.ft. The average of these comparables is \$203.89 per sq. ft. of main floor area, or \$190 per sq.ft. for total floor area.

Position of the Respondent

[9] The Respondent presented four sales comparables (exhibit R-1, page 22) to show the Board that, indeed, the current assessment is both fair and equitable. Of the four sales used two are identical to the Complainant's sales shown in exhibit C-1.

[10] The Respondent's time-adjusted sales range in price from \$192.86 to \$218.05 per sq.ft of total floor area. Only one of the Respondent's sales comparables has upper office finish. The average of the Respondent's sales comparables is \$205.95 per sq. ft., which indicates that the subject assessment is fair and equitable.

[11] To counter the Complainant's argument with use of equity comparables the Respondent presented four comparables of their own. Two of the Respondent's comparables are the same as the Complainant's. The average for the Respondent's equity comparables is \$214.00 per sq.ft.

[12] The Respondent has attempted to balance out differences between the subject property and the sales and equity comparables by using a colour chart to show where a comparable is superior or inferior to the subject. This way the Board can see that in almost all cases the comparables can be close overall but almost never identical. The Respondent indicated that, in their opinion, their comparables are more similar to the subject property than those used by the Complainant.

[13] The Respondent pointed out that all similar industrial properties have been valued using the direct sales method. Equity is not a method of determining value for properties and is only referenced to show consistency between a group of properties.

Rebuttal

[14] In their rebuttal (exhibit C-2, pages 4 and 5) the Complainant stressed two equity comparables that, in their opinion, are the best comparables to the subject and confirm that the subject assessment is too high. The first equity comparable on page 4 equates to \$169.68 per sq. ft. The second comparable on page 5 works out to be \$197.17 per sq. ft. Both of these are considerably less than the subject at \$210.07 per sq. ft.

[15] Based on equity comparisons The Complainant is asking that the subject property be reduced to \$1,137,500, or \$190 per sq. ft., from the current assessment of \$1,258,000.

Decision

[16] The Board is of the opinion that the 2013 assessment is fair and equitable and that the assessed value of \$1,258,000 is confirmed.

Reasons for the Decision

[17] The Board is of the opinion that the two parties have presented very similar cases with only slightly different comparables. The Complainant presented two sales comparables that would indicate that the current assessed value for the subject should be a little lower. The Respondent presented two comparables that are slightly higher. The same is true for the equity comparables.


[18] When all evidence was weighed neither side totally convinced the Board that their comparables were any better than the other party. However, based on the commonalities used by both parties there is sufficient evidence to indicate to the Board that the current assessment of \$1,258,000 is fair and equitable and should not be amended.

Dissenting Opinion

[19] There was no dissenting opinion by any of the Board members.

Heard commencing July 18, 2013.

Dated this 13 day of August 2013, at the City of Edmonton, Alberta.



Willard Hughes, Presiding Officer

Appearances:

Adam Greenough

for the Complainant

Joel Schmaus, Assessor

Nancy Zong, Assessor - observing

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.