

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01236

Assessment Roll Number: 1498781

Municipal Address: 11560 149 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

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.

Background

[3] The subject property is located in the Garside Industrial subdivision. It is described as a medium warehouse constructed in 1979 and has a gross building area of 20,735 square feet.

Issue(s)

[4] Is the 2013 assessment of the subject property correct when considering sales of comparable properties?

[5] Is the 2013 assessment of the subject property fair and equitable when considering the assessments of comparable properties?

Legislation

[6] 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

[7] The Complainant argued that market evidence demonstrated that the 2013 assessment of the subject was excessive. In support of this argument, the Complainant presented details of the sales of five properties which, in the opinion of the Complainant, are comparable to the subject (Exhibit C-1, page 8).

[8] The year built of the comparables ranged from 1971 to 1979 and the range of site coverage was from 35 to 50%. The subject was built in 1979 and has a site coverage of 37%.

[9] The Complainant pointed out that the subject has a higher than typical amount of main floor office space and noted that his comparables #2 and #4 have a high proportion of main floor office. As well, the Complainant noted that #1 and #4 have upper office space and the subject does not have upper office space.

[10] The Complainant also pointed out comparable #1 had undergone extensive renovations which explained the higher time adjusted sale price per square foot.

[11] The Complainant noted that the average time adjusted sale price per square foot of the comparables is \$101.06 and requested that the Board apply a value of \$100 per square foot to the subject.

[12] The resulting value for the subject is \$2,073,000 and the Complainant requested that the Board reduce the assessment to that amount.

[13] In addition, the Complainant argued that the 2013 assessment of the subject was not equitable when compared with the assessments of similar properties.

[14] In support of that argument, the Complainant presented details of the assessments of nine equity comparables (Exhibit C-1, page 9). The Complainant stated that all the properties are located on arterial roads and are of age and site coverage similar to the subject and as well are comparable in terms of building size.

[15] The assessments per square foot of these comparables ranged from \$84.03 to \$130.37 while the subject is assessed at \$132.29 per square foot. The Complainant argued that an

equitable value per square foot for the subject would be \$107 per square foot which would result in a value for the subject of \$2,218,500.

[16] The Complainant requested that the Board reduce the assessment of the subject to \$2,218,500.

Position of the Respondent

[17] The Respondent submitted evidence to the Board (Exhibit R-1, 72 pages) in support of the 2013 assessment of \$2,743,000 for the subject property.

[18] The Respondent provided a Direct Sales Detail Report (Exhibit R-1, page 14) outlining the total main floor space at 20,735 square feet and the main floor office space at 12,341 square feet.

[19] The year built of the comparables ranged from 1970 to 1989 and the range of site coverage was from 17% to 50%. The effective year built of the subject is 1979 and it has a site coverage of 37%.

[20] The Respondent provided six sales comparables for the subject property (Exhibit R-1, page 14) showing the potential for downward and upward adjustments for factors affecting value because of differences with the subject property. Main floor office space was flagged in each comparable as needing adjustment in comparison to the subject property. It was noted that sales comparable #5 of the Respondent was the same as Complainant's comparable #1 (Exhibit C-1, page 8).

[21] The Respondent provided seven equity comparables for the subject property (Exhibit R-1, page 23). The Respondent noted that all but #7 required upward adjustment for Industrial Group placement in comparison to the subject property. There were upward or downward adjustments noted in several of the equity comparables for factors affecting value. There were no equity comparables in common with the Complainant.

[22] The Respondent re-charted the Complainant's comparable sales and noted that each of the five comparables required an overall upward adjustment as related to the subject property.

[23] The Respondent's evidence included information on the direct comparison approach from the Appraisal Institute of Canada as well as City of Edmonton Mass Appraisal materials. Maps of Industrial Groupings and a property assessment Legal Brief were also provided.

[24] In summation the Respondent argued that there were limitations in terms of the comparables provided by the Complainant. The Respondent also stated that the equity comparables provided in the Respondent's material supported the subject property's assessment.

[25] The Respondent stated it had met all of the legislation, regulation and quality standards for assessment and asked the Board to confirm the assessment for subject property at \$2,743,000.

Decision

[26] The decision of the Board is to confirm the 2013 assessment of the subject property at \$2,743,000.

Reasons for the Decision

[27] In the opinion of the Board the sale comparable used by both parties (Complainant sale comparable #1 and Respondent sale comparable #5) supported the assessment of the subject at \$132.29 per square foot. With respect to the other sales comparables presented by the Complainant, the Board noted large differences between these comparables and the subject, particularly in terms of office space. As well, the Board concluded that the sale comparables provided by the Respondent were of more assistance in indicating value for the subject property. Therefore the Board is satisfied that the 2013 assessment of the subject property is correct when considering sales of similar properties.

[28] The Board noted many differences between the equity comparables presented by the Complainant and the subject, particularly in terms of office space, site coverage, multiple buildings, industrial grouping and age. The Board found the Respondent's assessment comparables more reliable in terms of comparison with the subject.

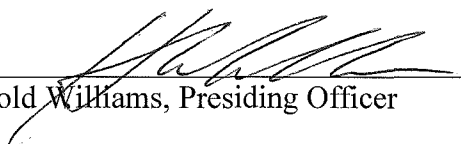
[29] Therefore the Board was satisfied that the 2013 assessment of the subject property appeared fair and equitable when considering assessments of similar properties.

Dissenting Opinion

[30] There was no dissenting opinion.

Heard on July 26, 2013.

Dated this 15th day of August, 2013, at the City of Edmonton, Alberta.


Harold Williams, Presiding Officer

Appearances:

Adam Greenough
for the Complainant

Marcia Barker
Nancy Zong
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.