

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01239

Assessment Roll Number: 3128733
Municipal Address: 12555 127 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

Dean Sanduga, Presiding Officer

Jasbeer Singh, Board Member

Taras Luciw, Board Member

Procedural Matters

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

Preliminary Matters

[2] There were no preliminary issues before the Board.

Background

[3] The subject property is a medium warehouse with a total area of 10,856 square feet. The total square footage includes 3,221 square feet of finished office space on the main floor. There is no finished space on the mezzanine. The subject property was built in 1969 on a lot measuring 39,181 square feet and is in average condition. The 2013 assessment for the subject property is \$1,374,000.

Issue(s)

[4] Is the 2013 assessment of \$1,374,000 correct?

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’s assessment of \$1,374,000 exceeds the best estimate of its market value. In support of this position, the Complainant presented the Board with a forty one page evidence package that was marked as (Exhibit C-1).

[7] The Complainant provided six sales comparables that sold between August, 2008 and December, 2011 (Exhibit C-1, page 8). The time adjusted sale price for the sales comparables based on main floor area ranged from \$65.45 per square foot to \$168.35 per square foot. The subject property is assessed at \$126.57 per square foot. The Complainant considered the high and low sales (\$65.45 and \$168.35 per square foot) to be outliers. The average price was \$110.12 per square foot and the median price was \$110.17 per square foot.

[8] The lot size of the sales comparables ranged from 18,515 square feet to 77,772 square feet while the main floor building areas ranged from 5,344 square feet to 18,656 square feet. The lot size for the subject is 39,181 square feet and the main floor building area is 10,856 square feet.

[9] Based on the attributes of the subject such as age, condition, lot size, location and site coverage, the Complainant determined that the indicated value for the subject property is \$1,112,000 (\$90.00 per square foot) and requested a reduction accordingly.

[10] The Complainant's evidence package described the subject property as having 12,363 square feet (C-1, page 4) and 12,358 square feet (C-1, page 8) which included 1,502 square feet of upper office area. During questioning by the Respondent it was determined that there was no upper office area in the subject property and the size was corrected to 10,856 square feet.

[11] With the changed size, the Complainant requested an amended reduction to \$977,000 based on \$90.00 per square foot.

Position of the Respondent

[12] In support of the assessment, the Respondent presented written evidence (Exhibit R-1, containing 62 pages) and oral argument for the Board's review and consideration.

[13] The Respondent's evidence contained six sales comparables that sold between June, 2008 and January, 2012 (Exhibit R-1, page 18). The time adjusted sale price of the sales comparables based on main floor area ranged from \$102.00 per square foot to \$147.00 per square foot. The subject property is assessed at \$127.00 per square foot.

[14] The lot size of the sales comparables ranged from 16,225 square feet to 166,997 square feet while the main floor building area ranged from 9,840 square feet to 14,980 square feet. The lot size of the subject property is 39,181 square feet with the building's main floor containing 10,856 square feet.

[15] The Respondent highlighted four of the six comparable properties that contained a higher site coverage than the subject which would require an upward adjustment to be comparable to the subject property. Even without the adjustment the price range of the sales comparables supported the assessment of the subject property and requested that the assessment in the amount of \$1,374,000 be confirmed.

[16] The Respondent further supported the assessment by providing seven equity comparables on properties similar in age, size and condition (R-1, page 29). Their assessments ranged from \$86.00 per square foot to \$142.00 per square foot as compared to the subject at \$127.00 per square foot.

[17] The Respondent noted that two of the Complainant's sales comparables contained factors that may have affected the sale price (R-1, page 18). Specifically, Complainant's sale number two required roof repair at the time of sale while sale number three was part of a two building sale and one building was described as being in "fair" condition while the subject property is in "average" condition.

Decision

[18] The Board confirms the 2013 assessment of \$1,374,000.

Reasons for the Decision

[19] The Board noted that the 2013 assessment of the subject property was contested on the grounds that the assessed value of \$1,374,000 was excessive and did not reflect the actual market price on the valuation date (July 01, 2012).

[20] While the set of six sales comparables provided by the Complainant showed similarities with the subject property in terms of age, lot size and site coverage, there were sufficient dissimilarities in terms of gross building area and the upper finished office space, to provide a clear or direct correlation with the subject property.

[21] The Complainant relied heavily on two sales comparables (#4 and #6) to support the requested assessment rate of \$90 per square foot. However, the Board noted the independent third party comments, included in the Complainant's evidence package, notably the vacancy, pending renovations and the below market lease rates. The Board concluded that the sale prices of these comparables, from which the requested assessment rate was derived, could not be relied upon for determining the fair and equitable valuation (assessment) of other properties that did not experience similar vacancy or quality concerns.

[22] The Board placed little weight on the sales comparables provided by the Respondent as these were found to be substantially dissimilar to the subject property in terms of lot sizes and site coverage. The Board believes that such differences were significant and could not be readily reconciled with the information before the Board.

[23] Although assessment equity had not been raised as an issue by the Complainant, the Board found the Respondent's equity comparables persuasive in concluding that the subject property had not been treated unfairly or inequitably.

[24] 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 confirms the 2013 assessment of the subject at \$1,374,000.

Heard on August 29, 2013.

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


Dean Sanduga, Presiding Officer

Appearances:

Adam Greenough
for the Complainant

Luis Delgado
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.