

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01665

Assessment Roll Number: 10037164

Municipal Address: 18420 118A 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
John Noonan, Presiding Officer
John Braim, Board Member
Pam Gill, 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.

Background

[2] The subject property is a 15,419 square foot (sf.) industrial warehouse including 1660 sf. of upper developed area, built in 1998 on a lot of 152,078 sf. at 18420 118 A Avenue. The property has exposure to but no direct access from the Yellowhead. The property also houses a second building, a 2400 sf. cost structure whose \$94,841 contribution to the assessment is not at issue. The total assessment is \$3,733,000 and was prepared by the direct sales comparison approach. The main building carries an assessed value of \$3,638,159 or \$236 per sf. The complaint requests a value for the main building of \$200 per sf., which would yield an assessment of \$3,178,841.

Issue(s)

[3] While the complaint had identified two issues, market value and equity, during evidence disclosure some information came to light regarding comparable sales, and that aspect of the complaint was dropped. Consequently, the issue before the Board was:

Do the assessment comparables indicate the subject has been treated inequitably?

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 presented five equity comparables, all located on non-arterial roads in the northwest, of the same age or newer than the subject, low site coverage in the range of 9%-15%, and buildings of 16,000-22,500 sf. The assessments of these comparables ranged from \$181-\$242 per sf., producing average and mean values of \$203.91 and \$200.34 per sf. These comparables indicated the main building at the subject was over-assessed at \$236 per sf., and that its value should be set at \$200 per sf.

Position of the Respondent

[6] In defense of the assessment, the Respondent had prepared three sales comparables, but chose not to dwell on this aspect as the issue was no longer in play. Four equity comparables were presented, showing a per sf. range from \$196 to \$287. The subject was within the range established by the comparables, both equity and sales, and had been assessed fairly and equitably.

Decision

[7] The Board confirms the assessment of \$3,733,000.

Reasons for the Decision


[8] The Board saw a range of values from the two parties, from \$194 per sf. to \$287. When dealing with properties having low site coverage, small differences can have significant impacts. As illustration, the \$194 per sf. comparable has a 17,312 sf. building and it covers 15% of a 102,460 sf. lot. The subject again is 15,419 sf or 1900 sf smaller, but rests on a lot of 152,083 sf., larger than the comparable by 50,000 sf. The value of that additional land is going to inflate the per sf. assessment of the subject in comparison to the comparable.

[9] The Board found the best comparable, requiring the fewest adjustments, in the Complainant's evidence: 11731 181 Street. The lot size is almost the same at 152,474 sf., so about 300 sf. larger than the subject. The property has two cost buildings valued at about \$35,000 and \$39,000 which when subtracted from the assessment yield a remaining value of \$3,905,618 for a building of 19,001 sf. of which 17,700 sf. is main floor. The per sf. values are \$205.55 for total building area and \$220.64 for main floor. Now, these numbers are lower than the subject's \$236 and \$264 respective values, but one must consider the absolute amounts. The subject's main building is 15,419 sf. and is valued at \$3,638,159. The comparable is about 3500 sf. larger and has an assessment that is \$267,459 greater than the subject. The incremental 3500 sf. attracts a valuation of some \$75 per sf. over the subject's assessment of \$3,733,000. Even if one were to apply an arbitrary \$100 per sf. as (perhaps) a better value differential for an incremental 3500 sf. of late 90's warehouse construction, the implied result would see the subject valued at some \$87,500 less. This would equate to a 2.3% reduction in assessment, well within the usual threshold of 5% the Board requires before altering an assessment.

[10] The Board concludes these properties are assessed in line with one another, and that the subject has not been treated inequitably.

Heard November 14, 2013.

Dated this 10th day of December, 2013, at the City of Edmonton, Alberta.


John Noonan, Presiding Officer

Appearances:

Adam Greenough
for the Complainant

Amy Cheuk, City of Edmonton law Branch
Marcia Barker
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.