

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01672

Assessment Roll Number: 8976623

Municipal Address: 9523 41 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

Martha Miller, Board Member

Mary Sheldon, Board Member

Procedural Matters

[1] The Complainant did not appear at the merit hearing. The Respondent had no objection to the composition of the Board. The Members of the Board did not report any bias or conflict of interest with respect to this matter.

[2] This hearing was one of four held November 21, 2013 dealing with industrial properties. An earlier request by the Complainant, Altus Group, for a postponement of these hearings was denied by a separate panel of the Composite Assessment Review Board (CARB). This Board heard that the reason for the postponement request was not found to meet the exceptional circumstances required by legislation. Apparently, there was a schedule conflict due to unexpected circumstances. The Respondent's counsel later contacted the Complainant by phone, but no further information or elaboration was forthcoming, nor in the opinion of Altus Group should be required beyond what had already been advanced.

[3] In correspondence with CARB administration, Altus Group wanted the Board to note the postponement request had been denied, and another agent was not available to attend the hearing. As allowed by s. 16 of the *Matters Relating to Assessment Complaints Regulation*, Alta Reg 310/2009 (MRAC), the hearing proceeded with the Board relying on the written disclosure to understand the Complainant's case

[4] The Respondent requested that submissions, argument and evidence be carried forward, as far as relevant from file #8482952 to this file.

Background

[5] The subject property is a medium warehouse, multiple building site and constructed 1980. The subject is located in the Strathcona Industrial Park of the City of Edmonton. The buildings have a gross building area of 108,125 square feet and site coverage of 38%.

[6] The subject property is comprised of four buildings, with total areas of 11,024, 28,000, 30,799, and 30,799 square feet respectively. The total main floor area is 100,621 square feet.

[7] The 2013 assessment was prepared by the direct sales comparison approach in the amount of \$11,466,000.

Issue

[8] Is the assessment of the subject equitable when compared to the assessments of similar properties?

Legislation

[9] **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

[10] The Complainant submitted written evidence (Exhibit C-1, 40 pages) for the Board’s review and consideration. The Complainant was not present at the hearing but the Board accepted the disclosure filed as evidence.

[11] The Complainant provided eight equity comparables for subject, three of which are multiple building properties. One multiple building site has two buildings and the remaining have three buildings. The subject has four buildings.

[12] The Complainant's equity comparables have site coverage ranging from 34% to 45% with an average of 40% and a median of 41%. The subject has 38% site coverage. The year of construction for the comparables ranged from 1975 to 1985 with the average at 1979 and the median at 1978. The year of construction for subject is 1980.

[13] The Complainant's comparables range from 70,862-130,281 square feet leasable building area and the subject is at 100,625 square feet. Comparables # 4 & # 5, each a three building site, are 77,684 and 79, 590 square feet leasable building area and comparable # 1 with a two building count is 130,281 square feet and the subject at 100,621 square feet. The assessment per square foot for the comparables ranges from \$84.98 to \$106.44 per square foot with an average of \$93.27 and a median of \$91.41. The requested per square foot assessment for the subject is \$90.00.

[14] The Complainant asked the Board to reduce the 2013 assessment from \$11,466,000 to \$9,056,000.

Position of the Respondent

[15] The Respondent presented written evidence (Exhibit R-1, 56 pages), and oral argument for the Board's review and consideration in support of the 2013 assessment.

[16] The Respondent noted the factors affecting value in the warehouse inventory (Exhibit R-1, pages 8-10). Those factors include main floor area, site coverage, effective age, condition, location, main floor finished area and upper floor finished area. The Respondent noted in addition the valuation for multiple building accounts and advised that each building is analyzed for its contributory value to the property. A single assessment is produced that represents the aggregate market value of each building for that property.

[17] The Respondent included the city assessment document and each of the four buildings is in average condition and one has a rear building adjustment.

[18] The Respondent provided five equity comparables, which in the opinion of the Respondent, are similar to subject (Exhibit R-1, page 29). The equity comparables are all located in the same industrial group and all are multiple building properties with a range of 2-5 buildings on site. Subject has four buildings. Comparables # 2, # 3, & # 5 have rear building adjustments as does the subject. The assessment per square foot ranges from \$106.44 to \$129.16 per square foot with subject at \$113.95 per square foot. The Respondent argued the assessment of the comparables supported the assessment of subject.

[19] The Respondent requested the Board confirm the 2013 assessment of subject at \$11,466,000.

Complainant's Rebuttal

[20] The Board accepted the Complainant's rebuttal disclosure as Exhibit (C-2, 17 pages).

[21] The Complainant's Rebuttal submission argued the submission of the Respondent does not support the decision to confirm the assessment of subject. The Complainant argued the City's

comparables are of considerably newer construction, 10-24 years newer than subject, and newer buildings command a higher value and separate market from subject.

[22] The values presented by the Respondent ranged between \$106.44 and \$129.16 per square foot. By contrast, the Complainant provided a number of comparables with the same vintage as subject and a lower range of assessment values \$84.98-\$106.44. The Complainant argued that the properties with a much newer age command a higher value; however, the subject has been assessed in this higher range.

[23] The Complainant argued no adjustment is required for the number of buildings as an investor is looking for a square foot amount of warehouse space, not a site with a specific number of buildings. The Complainant argued it is fundamentally incorrect to value two buildings on a site independently from one another as they are on one tax roll and must be sold as one economic unit.

Decision

The Board confirms the 2013 assessment of the subject in the amount of \$11,466,000.

Reasons for the Decision

[24] The Board notes the Respondent's submission that, for the purposes of assessment pursuant to the mass appraisal methodology, properties are stratified into groups of comparable properties and common property attributes are identified for the properties in each group.

[25] For the warehouse inventory, the Board accepts the Respondent's submission that for properties which are multiple building accounts, the assessment model analyzes each building for its contributory value to the property and then a single assessment produced representing the aggregate market value of each building for that property. A single building property is assessed differently.

[26] The subject is a multiple building property and a multiple building property ought to be compared to other multiple building properties, when assessment equity is the sole basis of the complaint.

[27] The Board notes that of the equity comparables presented by the Complainant, only comparables #1, # 4 and # 5 are multiple building accounts and are of the most assistance in establishing value for the subject. The Complainant's comparable #1, located at 4150 101 Street, was also submitted as a comparable by the Respondent. Although there are differences, the Board found this property the best comparable and it broadly supports the assessment of the subject.

[28] The Board notes further that all comparables presented by the Respondent as equity are multiple building sites and that these comparables, with the adjustments as noted, support the assessment of the subject.

[29] The Board is satisfied the subject is assessed equitably.

Heard November 21, 2013.

Dated this 5th day of December, 2013, at the City of Edmonton, Alberta.



John Noonan, Presiding Officer

Appearances:

No appearance
for the Complainant

Cam Ashmore
Marty Carpentier
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.