

## **Edmonton Composite Assessment Review Board**

**Citation: Altus Group v The City of Edmonton, 2013 ECARB 01688**

**Assessment Roll Number:** 8953754

**Municipal Address:** 3261 Parsons Road NW

**Assessment Year:** 2013

**Assessment Type:** Annual New

Between:

**Altus Group**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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**DECISION OF**  
**Petra Hagemann, Presiding Officer**  
**John Braim, Board Member**  
**Pam Gill, Board Member**

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### **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 a two-building medium warehouse built in 1979 located in the Parsons Industrial neighbourhood. It is located on a land size of 81,632 square feet (sq. ft.) with 42% site coverage. Building one has a total area of 26,452 sq. ft., which includes 5,037 sq. ft. of main floor office and 6,291 sq. ft. of finished mezzanine. Building two has an area of 13,853 sq. ft. The total area for both buildings is 40,305 sq. ft., of which 34,015 sq. ft. is main floor area. A negative 10% rear building adjustment has been applied to the assessment of the subject. The 2013 assessment of the subject based on the sales comparison approach is \$4,435,500.

### **Issue**

[4] Is the subject's assessment equitable?

## **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 presented written evidence (Exhibit C-1, 32 pages) and oral argument for the Board's review and consideration.

[7] The Complainant submitted 5 equity comparables (C-1, page 9) that ranged in assessments per square foot of Leasable Building Area (LBA) from \$64.68/sq. ft to \$103.26/sq. ft., with an average of \$91.84/sq. ft and a median of \$97.38/sq. ft. The assessments per square foot of Main Floor Area (MFA) ranged from \$75.3/sq. ft. to \$135.17/sq. ft., with an average of \$111.43 and a median of \$127.51. The subject is assessed at \$110.04/sq. ft. (LBA) and \$130.40/sq. ft. (MFA).

[8] During questioning the Complainant stated that Comparable 3 at \$102.80/sq. ft. (LBA) was the most comparable property to the subject.

[9] In summation the Complainant submitted that there is no difference between multiple-building and single-building properties, since the total building area is what mattered. A prospective purchaser is looking for total area and would not value multiple buildings at a higher rate.

[10] The Complainant stated that an appellant is entitled to the lowest value if there is a discrepancy between fairness and equity and the market value of the subject (C-1, page 25).

[11] The Complainant commented on the Respondent's equity comparables and noted that none of them were in the same market area as the subject.

[12] Based on the equity analysis the Complainant requested that the 2013 assessment be reduced to \$4,030,500.

### **Position of the Respondent**

[13] The Respondent presented written evidence (Exhibit R-1, 51 pages) and oral argument for the Board's review and consideration.

[14] The Respondent reminded the Board of the Mass Appraisal process (R-1, pp. 8-11) and the Factors Affecting Value (R-1, pp. 12-14). These factors in order of priority are: main floor building area, site coverage, effective age, condition, location, main floor finished area and upper floor finished area. Other adjustments, such as for rear buildings with no street access etc., may be applied to properties on a site-specific basis to recognize additional factors which may affect market value.

[15] The Respondent submitted 3 sales comparables (R-1, page 24), which ranged from \$113/sq. ft. to \$127/sq. ft. (LBA).

[16] Five two-building equity comparables (R-1, page 28) were also provided. These ranged from \$116/sq. ft. to \$135/sq. ft. (LBA). The subject is assessed at \$110/sq. ft. (LBA).

[17] The Respondent critiqued the Complainant's equity comparables as they are all single-building properties. Comparable #4 is a special purpose property. It is assessed on the cost approach and therefore is not comparable to the subject. The property located on 2920 Parsons Road (#5) is in "Fair" condition, and therefore inferior to the subject. The LBA/MFA of this property is 14,730 sq. ft and not 18,655 as suggested by the Complainant. This changes the assessment per square foot from \$91.10/sq. ft to \$115.38/sq. ft., which supports the assessment of the subject at \$110.04/sq. ft.

[18] The Respondent submitted that multiple-building properties should be compared to other multiple-building properties as the cost of construction is greater.

[19] For these reasons the Respondent requested that the Board confirm the 2013 assessment at \$4,435,500.

### **Decision**

[20] It is the decision of the Board to confirm the 2013 assessment at \$4,435,500.

### **Reasons for the Decision**

[21] The Board examined the Complainant's comparables and disregarded #4 because it was a special purpose property assessed on a cost basis. Comparable #5 is assessed in fair condition and is significantly smaller than the subject property and therefore was given less weight.

[22] The remaining three comparables are very similar to the subject in terms of main floor area, age and site coverage. The Board found that these comparables initially indicated that the subject may be assessed too high. However, the Board noted that all of the Complainant's comparables were single-building properties.

[23] The Board finds that multiple-building properties ought to be compared to other multiple-building properties when possible. Therefore, the Respondent's equity comparables (which were

all two-building properties) were more similar to the subject. Additionally, they were similar to the subject in size, site coverage and age.

[24] The Board recognizes that the Respondent's equity comparables are located in a different market area; however, the subject's market area is more desirable and location is only fifth in terms of importance out of the seven factors affecting value. Any adjustments made because of location would result in a higher assessment for the comparables thus providing further evidence that the assessment of the subject is equitable. The equity comparables ranged from \$130/sq. ft to \$137/sq. ft (MFA) supporting the assessment of the subject at \$130/sq. ft. (MFA).

[25] The Respondent's sales comparables were not persuasive as two were single-building properties and the third comparable was dissimilar to the subject in location and size.

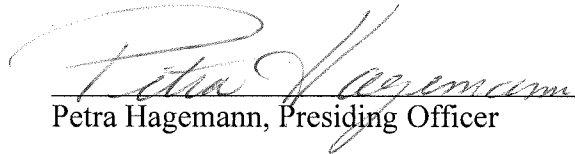
[26] The Board finds that the Respondent successfully defended the subject's assessment and confirms the 2013 assessment at \$4,435,500.

### **Dissenting Opinion**

[27] There was no dissenting opinion.

Heard October 16, 2013.

Dated this 13<sup>th</sup> day of November, 2013, at the City of Edmonton, Alberta.

  
Petra Hagemann, Presiding Officer

### **Appearances:**

Adam Greenough  
for the Complainant

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.*