

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01690

Assessment Roll Number: 8872558

Municipal Address: 4813 89 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

Petra Hagemann, 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.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property is classified as a medium warehouse and is located in the McIntyre Industrial neighbourhood. The land size is 152,422 square feet (sq. ft.) with 45% site coverage. There are three buildings on site, one of which is a cost building. Building one is 40,861 sq. ft. in total and has 34,113 sq. ft. of main floor space, 8,100 sq. ft. of main floor office, and 6,748 sq. ft. of finished mezzanine. It was built in 1977 and is in average condition. Building two has a total area of 36,583 sq. ft. It has 33,783 sq. ft. of main floor space, of which 5,619 sq. ft. is main floor office space. Building two also has 2,800 sq. ft. of finished mezzanine. It was built in 1978 and is in average condition. Building three is the cost building. It has a total area of 144 sq. ft., is in average condition and was built in 1985. The building area of the two buildings (not including the cost building) is 77,444 sq. ft., of which 67,896 sq. ft. is main floor area. The 2013 assessment is for \$7,247,500.

Issue

[4] Is the subject assessed equitably?

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, 46 pages) and oral argument for the Board’s review and consideration.

[7] The Complainant submitted 10 equity comparables (C-1, page 9) that ranged in assessments per square foot of Leasable Building Area (LBA) from \$79.31/sq. ft to \$103.17/sq. ft., with an average of \$87.10/sq. ft and a median of \$85.38/sq. ft. Assessments per square foot of Main Floor Area (MFA) ranged from \$79.31/sq. ft. to \$116.13/sq. ft., with an average of \$94.10 and a median of \$90.77. The subject is assessed at \$93.41/sq. ft. (LBA) and \$106.52/sq. ft. (MFA).

[8] In order to make equity comparable #6 more comparable to the subject a 10% reduction was applied to it. The 10% adjustment was due to the property’s location on an arterial road, and is a similar adjustment to those applied by the Respondent for properties that are located on arterial roads (C-1, page 9).

[9] The Complainant also 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 place a higher value on multiple building properties.

[10] The Complainant submitted that based on the equity comparables the subject should be assessed at \$85.00/sq. ft. and requested that the Board reduce the 2013 assessment to \$6,594,500.

Position of the Respondent

[11] The Respondent presented written evidence (Exhibit R-1, 60 pages) and oral argument for the Board's review and consideration.

[12] 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.

[13] The Respondent submitted four sales comparables (R-1, page 25) that ranged in Time Adjusted Sale Price (TASP) from \$95/sq. ft. to \$113/sq. ft. (both LBA and MFA). Four equity comparables were also provided (R-1, page 32) that ranged in TASP from \$94/sq. ft. to \$108/sq. ft. (LBA) and \$101/sq. ft. to \$123/sq. ft. (MFA). The subject is assessed at \$93.41/sq. ft. (LBA) and \$107/sq. ft. (MFA).

[14] The Respondent provided comments on the Complainant's equity comparables (R-1, page 33). Comparables 1, 2, and 7-10 are one-building properties and required upward adjustments based on the main floor area. The multiple-building comparables ranged from \$90/sq. ft. (LBA) and \$103/sq. ft. (LBA) and supported the subject's assessment at \$93.41/sq.ft.

[15] For these reasons the Respondent requested that the 2013 assessment be confirmed at \$7,247,500.

Decision

[16] It is the decision of the Board to confirm the assessment at \$7,247,500.

Reasons for the Decision

[17] The Board finds that it is preferable to compare multiple-building properties to other multiple-building properties where possible.

[18] Upon examining the Complainant's evidence the Board found that their comparables 3 to 6, which are two-building properties, are most similar to the subject. They ranged from \$83.82/sq. ft. to \$103.17/sq. ft. (LBA) and \$92.12/sq. ft. to \$116.13/sq. ft. (MFA). In the Board's view these comparables support the assessment of the subject at \$93.41/sq. ft.(LBA) and \$106.52/sq. ft. (MFA).

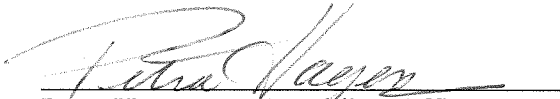
[19] The subject property falls within the range provided by the Complainant's own comparables and for this reason the Board finds that the burden of proof was not met. The subject property is assessed equitably and the Board confirms the 2013 assessment at \$7,247,500.

Dissenting Opinion

[20] There was no dissenting opinion.

Heard October 16, 2013.

Dated this 13th 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.