

## **Edmonton Composite Assessment Review Board**

**Citation: Altus Group v The City of Edmonton, 2013 ECARB 01699**

**Assessment Roll Number:** 1514603

**Municipal Address:** 15721 118 Avenue 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 comprises a distribution warehouse located in Alberta Park in the north-west industrial district. It has an effective year built of 1998 and has a main floor building area of 28,817 sq ft including 5,968 sq ft of offices plus a finished mezzanine area of 3,432 sq ft for a gross building area of 32,250 sq ft. The property is located in industrial group 2 and has a site coverage ratio of 25%.

[4] The assessment of the subject property is \$4,845,500, which equates to a main floor area unit rate of \$168.15/ sq ft or a total floor area unit rate of \$150.25/ sq ft.

### **Issue**

[5] Has the subject property been equitably assessed with similar properties?

## **Legislation**

[6] **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**

[7] The Complainant filed this complaint on the basis that the assessment of the subject property was higher than similar properties. In support of this contention the Complainant provided a chart of equity comparables all located in the north-west industrial area (Exhibit C-1, page 8). The seven properties were constructed between 1980 and 2000. The site coverage ratios ranged from 17% to 33% , while main floor building areas ranged from 16,739 sq ft to 37,567 sq ft. The main floor finished areas ranged from zero to 12,379 sq ft and the second floor finished areas from zero to 12,379 sq ft. The assessments ranged from \$117.78/ sq ft of main floor area to \$172.69/ sq ft of main floor area, and averaged \$142.84/ sq ft with a median of \$141.47/ sq ft of main floor area. From this analysis the Complainant contended the subject property should be assessed at \$151.18/ sq ft of main floor area.

[8] The Complainant argued that the leased building area was a relative factor and provided a list of the leased areas of the same comparable properties that ranged from 16,793 sq ft to 37,567 sq ft. The assessed values ranged from \$104.00/ sq ft to \$154.41/ sq ft of leased area with an average of \$133.07/ sq ft and a median of \$137.80/ sq ft of leased area. The subject has been assessed at \$150.15/ sq ft of leased area. From this analysis the Complainant contended the subject property should be assessed at \$135.00/ sq ft of leased area.

## **Position of the Respondent**

[9] In defence of the assessment the Respondent provided a synopsis of the Mass appraisal methodology, the Approaches and Factors Affecting value. The Respondent provided a chart of comparable sales (Exhibit R-1, page 22) that ranged in effective age from 1977 to 1992. The site coverage ratios of these sales ranged from 19% to 30%, and main floor building area ranged from 16,598 sq ft to 24,489 sq ft. The main floor finished areas ranged from 639 sq ft to 7,115 sq ft and the second floor finished areas ranged from zero to 4,198 sq ft. Total building areas ranged from 18,137 sq ft to 28,688 sq ft. The Respondent contended that the sales were time-

adjusted to valuation day and when analyzed the comparable sales ranged from \$161/sq ft to \$183/ sq ft based on main floor area with the subject falling within this range at \$168/ sq ft. Based on total floor area the range was \$140/ sq ft to \$170/ sq ft with the subject at \$ 150/ sq ft. The comparable sale chart was colour-coded to indicate that additional adjustments were required to make the comparable sales more comparable to the subject property.

[10] As additional support for the assessment the Respondent provided a chart of 6 equity comparables (R-1, page 28) that ranged in age from 1990 to 2008. Site coverage ratios ranged from 20% to 23%, and main floor building areas ranged from 26,291 sq ft to 36,125 sq ft. The main floor finished areas ranged from 2,800 sq ft to 4,415 sq ft. The upper floor finished areas ranged from zero to 5,250 sq ft and the total building areas ranged from 26,709 sq ft to 38,925 sq ft. When these equity comparables were analyzed the range was \$148/ sq ft to \$203/ sq ft of main floor building area with the subject falling within the range at \$168/ sq ft. When analyzed on a total building area basis the range was from \$131/ sq ft to \$200/ sq ft with the subject again falling within the range at \$150/ sq ft. Again, the chart was colour-coded to indicate that further adjustments were required to make the comparables similar to the subject.

[11] The Respondent also provided a chart of the Complainant's equity comparables (R-1, page 28) indicating some differences in both the size and number of buildings based on their records. The chart also indicated that the Complainant's equity comparables supported the assessment on both a main floor basis and a total area basis when calculated by the city's record of sizes and building numbers. The chart was also colour-coded to indicate that additional adjustments were required to make the comparables similar to the subject.

### **Rebuttal**

[12] The Complainant provided a map showing the respective locations of the comparable sales and equity comparables provided by the respective parties. The map showed that the subject property is located in the north-west. The Altus equity comparables are all located in the north-west and one of the city's sales is in the north-west. Five of the city's equity comparables are in the south-east and four of the city sales are in the south-east. There is a shared equity comparable in the north-west.

### **Decision**

[13] The decision of the Board is to confirm the 2013 assessment in the sum of \$4,845,500.

### **Reasons for the Decision**

[14] The Board was initially persuaded that the equity comparables of the Complainant shifted the onus to the Respondent as the comparables were all located in the north-west industrial area. Comparables #4, #5 and #6 each had a main floor area similar to the subject. Also, sales #1, #4, #5, and #6 had similar site coverage ratios (SCRs). Comparables #2, #4, #6, and #7 were of similar age, and comparables #2, #3, #4 and #5 were of similar overall size. Comparable #4 had fairly similar main and upper floor development.

[15] The Board was not persuaded by the Respondent's equity comparables as only one was in the north-west industrial area and none were in the same industrial group. Only two comparables were of similar age, although all sales had similar SCR's and sales #3, #4, #5 and #6 had similar main floor areas. Furthermore, the Board was not provided with any evidence or factors that

would enable it to make the appropriate adjustments to the comparables that were colour-coded. Consequently little weight was placed on the Respondent's equity evidence.

[16] The Board was persuaded by the Respondent's review of the Complainant's equity comparables (R-1, page 28). This pointed out that the Complainant's sales required additional adjustments as only two properties were on arterial roads similar to the subject and two of the sales were two building properties. The Respondent indicated that their records had different floor areas for most of these comparables. The Board re-examined the sales provided by the Complainant using the sizes provided by the Respondent, and found that the Complainant's sales support the assessment. No evidence was provided to the Board to enable it to determine which the correct floor areas were; therefore the Board was unable to determine the correct unit rates indicated by these sales, making comparability difficult.

[17] The Board was not persuaded by the Respondent's sale comparables as all sales were smaller than the subject, and only one sale was close to the subject in age. Only one sale was located in the north-west industrial area and none were in the subject's industrial group 2. Again no evidence was provided to enable the Board to make appropriate adjustments.

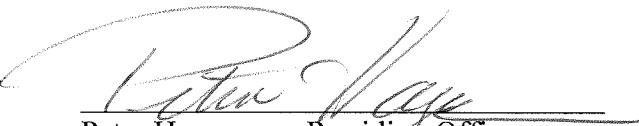
[18] The Board concludes that very limited meaningful evidence was provided by either party to persuade the Board the assessment was incorrect and finds for the Respondent.

### **Dissenting Opinion**

There was no dissenting opinion.

Heard October 15, 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.*