

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2014 ECARB 00640

Assessment Roll Number: 1541556

Municipal Address: 16734 111 AVENUE NW

Assessment Year: 2014

Assessment Type: Annual New

Assessment Amount: \$2,278,500

Between:

R W Gibson Holdings Ltd represented by Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Petra Hagemann, Presiding Officer

Brian Frost, Board Member

Darryl Menzak, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer the parties indicated they did not object to the Board's composition. In addition, the Board members stated they had no bias with respect to this file.

Background

[2] The subject property is a medium warehouse located in the West Sheffield Industrial area. The main floor area is 16,022 square feet (sq ft) with a main floor area office area of 1,751 sq ft. The building was built in 1970, considered to be in average condition and the site coverage for the property is 23.7%.

Issues

[3] Is the assessment of the property too high based on the sales of similar properties?

Position of the Complainant

[4] The Complainant provided three sales for the Board's consideration. The first sale was located near 170 St. similar in age, size, slightly higher site coverage and sold for a time adjusted sale price (TASP) of \$113.40 per sq ft. The Complainant suggested that as this property is adjacent to 170 St; it would require a negative 5% adjustment for location to improve

comparability to the subject. The second and third sale was also similar to the subject in site area, site coverage, leasable building area and main floor finished space. Their time adjusted sale prices were \$107.22 and \$131.60 per sq ft respectively. It was noted that the second property had been extensively renovated in 1993.

[5] The three properties sold for an average TASP of \$117.41 and a median of \$113.40 per sq ft. The Complainant requested that an assessment of \$115 per sq ft for the subject would reflect market value more accurately.

[6] The Complainant provided rebuttal evidence regarding the Respondent sale comparable #3. The Complainant presented an assessment detail report indicating that this property located at 14335-121A Avenue was built in 1978, not 1973 as it appeared on the Respondent's evidence.

Position of the Respondent

[7] The Respondent took the position that the assessment of the subject property was prepared using the direct sales comparison approach within the context of mass appraisal and that the assessment is correct. The Respondent also stated that market value encompasses a range of values and that numerous sales are used to derive an assessment for all properties.

[8] The seven most significant variables which affect value in the warehouse category in order of significance are, main floor area, site coverage, effective age, industrial group location, condition, main floor finished area, and upper finished area.

[9] The Respondent provided 3 sales comparables for the Board's consideration. The first sale was 13 years newer than the subject, smaller with lower site coverage and a TASP of \$143 per sq ft. Overall comparability suggested a downward adjustment.

[10] The second sale was 11 years newer than the subject, larger with lower site coverage and a TASP of \$166 per sq ft, suggesting a downward adjustment as well.

[11] The third sale is three years newer than the subject, and larger with a TASP of \$158 per sq ft. The two factors would offset each other making this sale comparable.

[12] The Respondent also provided assessments for four properties. They were similar to the subject in location, age, lot size, site coverage and total building area. The assessments of these properties ranged between \$141.02 and \$151.01 per sq ft suggesting the assessment of the subject is equitably assessed when compared to similar properties.

[13] In response to the rebuttal from the Complainant that the City's sale #3 was in fact five years younger than presented in their evidence, the Respondent had no valid explanation.

[14] In argument the Respondent suggested that the Complainant's sales are all inferior. Sale #1 is a multiple building sale and located on 170th Street, a major roadway. Sale #2 is a low sale and likely an outlier and sale #3 has significantly more office space than the subject.

[15] In summary, the Respondent reiterated that the evidence provided with sales and equity comparables supports the assessment of the subject and respectfully requested the Board confirm the 2014 assessment.

Decision

[16] The decision of the Board is to confirm the assessment at \$2,278,500.

Reasons for the Decision

[17] The Board considered the evidence provided by the Complainant. Sale #1 being a multiple sale of two adjoining properties, one of which is located at a major roadway, would require significant adjustments for comparability.

[18] The Board agrees with the Respondent that the Complainant's comparable property located at 14505-124 Avenue sold at a TASP of \$107 per sq foot is at the low end of the market and may have been an outlier. The Board places less weight on this sale.

[19] The Board reviewed the last sale and found it to be similar to the subject requiring the least adjustments, therefore suggesting that the subject's assessment may be too high.

[20] The Board then turned to the sales provided by the Respondent. Their time adjusted sale prices ranged between \$143 and \$166 per sq ft and after downward adjustments for age, sale #2 and #3 still lend support to the assessment of the subject.

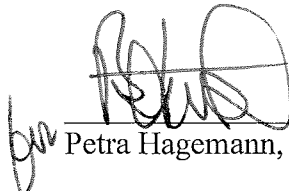
[21] The Board was most persuaded by the equity comparables submitted by the Respondent which were similar to the subject and required no significant adjustments.

[22] With respect to the rebuttal provided by the Complainant, the Board considered both party's positions and was of the opinion that a five year newer building would not have altered the Board's decision.

[23] The Board was persuaded by the Respondent's evidence and therefore confirms the 2014 assessment of the subject at \$2,278,500.

Heard June 23, 2014.

Dated this 7th day of July, 2014, at the City of Edmonton, Alberta.



Petra Hagemann, Presiding Officer

Appearances:

Adam Greenough, Altus Group
for the Complainant

Marty Carpentier, Assessor
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.

Appendix

Legislation

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.

Exhibits

C-1 – Complainant’s Brief (38 pages)

C-2 – Complainant’s Rebuttal (16 pages)

R-1 – Respondent’s Brief (42 pages)