

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2014 ECARB 00641

Assessment Roll Number: 9986111

Municipal Address: 14735 134 AVENUE NW

Assessment Year: 2014

Assessment Type: Annual New

Assessment Amount: \$5,841,500

Between:

PFM Fund Management 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 at 14735-134th Avenue in the Bonaventure Industrial subdivision of the City of Edmonton. The building, built in 1983 has a gross building area of 61,488 square feet (sq ft) and a finished office of 3,412 sq ft on the main floor. Site coverage is 37.7% on a land size of 163,181 sq ft. The 2014 assessment is \$5,841,500.

Issues

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

Position of the Complainant

[4] The Complainant submitted a brief for the Board's consideration. Included in the brief were pictures and maps of the subject as well as six equity comparables complete with assessment details and locational maps.

[5] The Complainant took the position that the owner has the right to the lower of fairness or equity and referred the Board to the *Bramalea Ltd. V. British Columbia (Assessor for Area 9 (Vancouver)) (B.C.C.A)* [1990] B.C.J. No. 2730 case which states:

“..It is my view that the principles mentioned give the taxpayer two distinct rights: (i(a right to an assessment which is not in excess of that which can be regarded as equitable; and 9ii) a right not to be assessed in excess of actual value...”

[6] The Complainant further pointed the Board to the *Mountain View (County) v. Alberta (Municipal Government Board)*, 2000 ABQB 594 case which states:

....I am of the opinion that the action of the Board in setting aside and reducing the original assessment should stand, even though the revised assessment was not obtained by use of mass appraisal methods. I base this view on the fact that the mass appraisal as used did not produce a result that complied with the market value requirement.”....

[7] The Complainant discussed the similarities of their equity comparables to the subject. They ranged in year built from 1978 to 1989; the subject was built in 1983. They were similar in that their lots ranged in size from 124,435 to 217,216 sq ft compared to the subject's lot size of 163,181 sq ft. The subject's building had a footprint of 61,488 sq ft and the comparables ranged from 46,758 to 79,294 sq ft. The main floor finished office spaces ranged from 5,800 to 15,049 sq ft compared to that of the subject of 3,412 sq ft. The assessments for total area ranged from 88.65 to 100.87/sq ft suggesting the assessment of the subject at \$95.00/sq ft was not equitable.

[8] The Complainant suggested that their six equity comparables only required minor adjustments as follows: #1 has higher leasable building area, #3 is located on a major road, #4 is a newer building, #5 has a larger main floor finished area and #6 has smaller leasable building area. They average \$94.95/sq ft and have a median of \$96.38/sq ft. Based on the comparable assessments provided, the Complainant suggested that the assessment of the subject is excessive.

[9] The Complainant requested the Board reduce the 2014 assessment of the subject from \$95.00/sq ft to \$90.00/sq ft or \$5,533,500.

Position of the Respondent

[10] The Respondent submitted a brief to the Board with evidence to support the assessment of the subject property.

[11] The Respondent directed the Board to the section in their brief outlining the mass appraisal versus the single appraisal processes.

[12] The Respondent advised the Board that the Factors Affecting Value in the order of importance are: main floor area, site coverage, effective age, industrial group location,

condition, main floor finished area and upper finished area. Further adjustments for a rear building, lot shape, caveats etc may be applied on an individual basis if warranted.

[13] The evidence presented consisted of assessments of five similar properties to the subject. These were outlined in a chart on page 25 which also included a reproduction of the Complainant's evidence for ease of comparability.

[14] The property located at 15253-121A Avenue assessed at \$96.51/sq ft was common to the Complainant's #4. The City's third comparable located on 11228-163rd Street is the same as the Complainant's #2 comparable assessed at \$88.65/sq ft.

[15] The Respondent advised the Board that their comparables were similar to the subject in age, lot size, site coverage, total main floor area. They required minor adjustments to bring comparability closer to the subject property. The Respondent reminded the Board that in the mass appraisal process, subject's assessment is correct and equitable if the comparable properties fall within a range of the assessment of the subject. The five comparables provided ranged from \$88.65 to \$100.41/sq ft indicating that the subject assessed at \$95.00/sq ft falls within that range and is therefore assessed in a fair and equitable manner.

[16] The Respondent requested the Board confirm the assessment of the subject at \$5,841,500.

Decision

[17] The decision of the Board is to confirm the 2014 assessment of the subject at \$5,841,500.

Reasons for the Decision

[18] The Board examined the evidence provided by the Complainant and found the following: Comparable #1 with a larger lot and building when considering the economies of scale, supports the assessment; Comparable #3, is in a superior location and therefore not a strong comparable; Comparable #4 and comparable #5 support the assessment; Property #6, on a partially serviced lot, is a weak comparable and was not given much weight. The only property which suggested the subject may be assessed too high is #2 with an assessment of \$88.65.

[19] The Board found that the Complainant's evidence insufficiently convincing to warrant a reduction in the assessment.

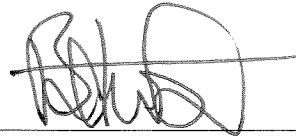
[20] The Board reviewed the Respondent's evidence and found that although they also required some minor adjustments to improve comparability to the subject, their range supported the assessment. The Board was most persuaded by comparables #1, 2, 4 and 5 and concluded that the assessment of the subject is fair and equitable.

Dissenting Opinion

[21] There was no dissenting decision.

Heard June 23, 2014.

Dated this 4th 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 (48 pages)

R-1 – Respondent’s Brief (39 pages)