

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2014 ECARB 00644

Assessment Roll Number: 2177533
Municipal Address: 14807 116 AVENUE NW
Assessment Year: 2014
Assessment Type: Annual New
Assessment Amount: \$2,552,000

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 built in 1962 is a medium warehouse located at 14807-116 Avenue in the Huff Bremner Estate Industrial subdivision of the City of Edmonton. The building has a footprint of 20,245 square feet (sq ft), a finished main floor office of 3,799 sq ft and is located on a 73,520 sq ft site, with 27.5% site coverage.

Issues

[3] Is the subject assessed above market value when compared to the sale of similar properties?

Position of the Complainant

[4] The Complainant submitted a brief and argument in support of their requested reduction in the assessment of the subject property.

[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’s evidence consisted of the sale of three properties. These properties were similar to the subject in location, age, site area, leasable building area and ranged in time adjusted sale price from \$107.22 to \$131.60/sq ft. The Complainant noted that comparable #1 located on a major roadway contrary to the subject, is assessed at \$113.40/sq f. This is evidence that the subject assessed at \$126.06 is assessed in excess of its market value.

[8] Due to the attributes of the subject in comparison to these sales, the Complainant suggested that an assessment of \$107.00/sq ft would be more appropriate for the subject.

[9] When questioned by the Respondent regarding the multi-parcel sale on 16915/31-111th Avenue, the Complainant replied that although it has two lots on two separate roll numbers, it was sold as one economic unit. The Complainant further argued that a purchaser would buy the size of building and site required regardless if it were one or two adjoining properties. Market value would not be affected in this case.

[10] In rebuttal, the Complainant submitted an excerpt from the City’s website clarifying site coverage (30%), leasable building area (21,720 sq ft) and the time adjusted sale price of \$120.40/sq ft for the multi-parcel sale. Both parties had used this sale comparable with varying numbers.

[11] The Complainant requested the Board reduce the 2014 assessment of the subject from \$2,552,000 to \$2,166,000.

Position of the Respondent

[12] The Respondent submitted their brief and argument in support of the assessment of the subject property.

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

[14] 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.

[15] The evidence provided by the Respondent consisted of five comparable sales. They ranged in effective age from 1962 to 1979, somewhat newer than the subject's 1969; site coverage ranged from 23% to 34%, the subject being at 28%; the lot sizes varied from 36,975 to 130,140 compared to the subject's lot of 73,518 sq ft; total main floor areas ranged from 15,370 to 44,100 sq ft whereas the footprint of the subject is 20,245 sq ft and the time adjusted sale prices based on total building area ranged from \$121.97 to \$158.00/sq ft. The Respondent explained that the assessment of the subject at \$126.06/sq ft falls within the range of the comparable sales thus concluding that it is assessed at market value.

[16] To lend further support to the correct and equitable assessment of the subject, the Respondent submitted the assessments of six comparable properties located in the area of the subject. These properties although somewhat newer in age and higher in site coverage were similar to the subject in all other areas. Their assessments ranged from \$123.00 to \$130.00/sq ft suggesting that the assessment of the subject at \$126.06/sq ft is not only correct but also fair and equitable.

[17] In summary the Respondent requested the Board confirm the 2014 assessment of the subject at \$2,552,000.

Decision

[18] The decision of the Board is to confirm the 2014 assessment of the subject property.

Reasons for the Decision

[19] The Board first examined the evidence provided by the Complainant. The Board noted that the property located on 111th Avenue which sold in April of 2012 was sold as one transaction however consisted of two separate adjoining properties with separate roll numbers. One property, 16915 is fronting 111th Avenue whereas the property at 16931 is on the corner of 111th Avenue and 170th Street, a major roadway. The time adjusted sale price as per the Complainant's rebuttal is \$120.40/sq ft. Other than the third party Network documents, no further evidence was provided to the Board to suggest whether or not the selling price may have been influenced by the simultaneous sale of these adjoining properties. The Board therefore places less weight on this multi-parcel sale.

[20] The Board reviewed the second comparable, which is very similar to the subject property and tends to suggest that the subject's assessment may be too high.

[21] The Board noted that the third comparable located on 114th Street would need some downward adjustments for age, site coverage and leasable building area and finds that taking these adjustments into account, this sale would support the assessment of the subject.

[22] In summary, the Board finds only one sale which may support a reduction, however without further details, it is difficult to ascertain if this sale was at market or was an outlier on the low end. Regardless, one sale does not make a market.

[23] The Board finds that the Complainant did not provide sufficient compelling evidence to justify a reduction in the assessment.

[24] The Board placed more weight on the evidence provided by the Respondent. The Board concluded that the Respondent's sale #1, 3 and 5 were the best comparables. Sale #1 when adjusted downward for age and site coverage would support the assessment of the subject. Sale #3, located on 114th Avenue is the same property as the Complainant's sale #3, which also supports the assessment. Sale #5 needs upward adjustment for site coverage and downward adjustment because it is ten years newer than the subject. These three comparable sales indicate that the subject is assessed correctly.

[25] The Board was most persuaded by the Respondent's equity comparables which after adjustments for age and site coverage indicate that the assessment of the subject is fair and equitable.

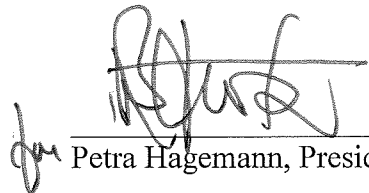
[26] The Board confirms the 2014 assessment of the subject at \$2,552,000.

Dissenting Opinion

[27] There was no dissenting opinion.

Heard June 25, 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

Cherie Skolney, Assessor
Jason Baldwin, 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 Brief (19 pages)

R-1 – Respondent’s Brief (47 pages)