

NOTICE OF DECISION NO. 0098 21/12

Altus Group
780-10180 101 ST NW
EDMONTON, AB T5J 3S4

The City of Edmonton
Assessment and Taxation Branch
600 Chancery Hall
3 Sir Winston Churchill Square
Edmonton AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from a hearing held on June 18, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
4229142	3909 99 Street NW	Plan: 9422207 Block: 3 Lot: 6 / Plan: 9422207 Block: 3 Lot: 7	\$4,358,000	Annual New	2012

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.

cc: WEST TWO ENTERPRISES LTD

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2012 ECARB 001016

Assessment Roll Number: 4229142
Municipal Address: 3909 99 STREET NW
Assessment Year: 2012
Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Ted Sadlowski, Presiding Officer
Reg Pointe, Board Member
Brian Frost, Board Member

Preliminary Matters

[1] Upon questioning by the Presiding Officer, the parties stated no objection to the composition of the Board. The Board members stated that they had no bias with regard to this file.

Background

[2] The subject property is a 35,447 square foot average quality warehouse with 3,143 square feet of finished mezzanine space. It is situated on a 79,740 square foot lot, exhibiting a 44% site coverage, in the Strathcona Industrial Park in Southeast Edmonton and is municipally described as 3909 – 99 Street NW. The subject property was built in 1988, coincidental with its effective age, and is assessed at \$4,358,000.

Issue

[3] Is the subject property assessed too high when compared to other sales and assessments?

Legislation

[4] The *Municipal Government Act* reads:

Municipal Government Act, RSA 2000, c M-26

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

[5] The Complainant's position is that the assessment of the subject property is excessive. In support of this, the Complainant entered into evidence his Brief (Exhibit C-1) and rebuttal (Exhibit C-2).

[6] Within the Complainant's Brief (C-1), charts outlined sales comparables (page 8) and equity comparables (page 9). The sales comparables detailed four sales of similar properties which reflected a time adjusted sales price ranging between \$74.61 and \$112.48 per square foot of leasable building area, with an average of \$93.27 per square foot and a median of \$92.99 per square foot. The equity comparables detailed assessments of four similar properties which reflected assessments ranging between \$82.25 and \$113.36 per square foot of leasable building area with an average of \$96.88 per square foot and a median of \$95.96 per square foot. On the basis of these sales and equity comparables, the Complainant requested the assessment be reduced to \$100 per square foot of leasable building area, or \$3,858,500.

[7] Page 2 of the Complainant's rebuttal (C-2) critiqued the Respondent's sales comparables. The Complainant stated that the Respondent's first comparable was a sale/leaseback of a building 12 years newer, and with 11% lesser site coverage, rendering it a poor comparable. The Complainant also stated that the Respondent's second comparable was 10 years newer and exhibited a 10% lesser site coverage.

Position of the Respondent

[8] It was the position of the Respondent that the assessment of the subject property is both fair and equitable. In support of this, the Respondent entered into evidence its Brief (Exhibit R-1).

[9] Within the Brief (R-1), charts outlined sales comparables (page 12) and equity comparables (page 16). The sales comparables detailed sales of similar properties that reflected a

time adjusted sales price ranging between \$112.48 and \$146.07 per square foot of total leasable building area. The equity comparables detailed assessments of similar properties which reflected assessments ranging between \$102.03 and \$113.35 per square foot of total leasable area. On the basis of these sales and equity comparables, the Respondent requested the assessment be confirmed.

Decision

[10] The Board confirms the 2012 subject property assessment.

Reasons for the Decision

[11] The Board was mindful of the Respondent's statement that the burden of proof lay with the Complainant to establish that the assessment is incorrect. The Complainant's evidence and rebuttal were reviewed in an effort to determine if the Complainant's evidence was sufficient to sway the Board to reduce the Assessment.

[12] The Board was cognizant of the Complainant's argument that the Respondent's sales and equity comparables were as many as 14 years older or 12 years newer than the subject. The Board also noted that the Complainant's comparables were themselves 9 to 14 years older than the subject.

[13] The Board considered the Complainant's position that two of the Respondent's sales comparables were substantially superior to the subject because of age and that they should be cast aside as comparables. The Board is of the opinion that, while the comparables were dissimilar due to age, their time adjusted sales price per square foot of \$143.65 and \$146.07 reflected that age differential sufficiently to support the final assessment.

[14] The Board noted in particular that the Complainant's third comparable sale was the same sale as documented by the Respondent as his third comparable sale. This sale reflected a time adjusted sale price of \$112.48 per square foot, which supports the assessment under appeal at \$112.93 per square foot. The Complainant confirmed that this sale was very similar to the subject, albeit 8 years older, by virtue of its size, showroom space, use, site coverage and tenancy.

[15] The Board determined that the Complainant failed to discharge his onus to demonstrate that the current assessment is incorrect. In view of this, the Board decides that the subject property assessment should be confirmed.

Dissenting Opinion

[16] There was no dissenting opinion.

Heard commencing June 18, 2012.

Dated this 25th day of June, 2012, at the City of Edmonton, Alberta.

Ted Sadlowski, Presiding Officer

Appearances:

Walid Melhem, Altus Group
for the Complainant

Bonnie Lantz, Supervisor, City of Edmonton
Joel Schmaus, Assessor, City of Edmonton
for the Respondent