

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 00804

Assessment Roll Number: 10032807

Municipal Address: 18404 116 Avenue NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Harold Williams, Presiding Officer
Martha Miller, Board Member
Mary Sheldon, Board Member

Procedural Matters

[1] The parties did not indicate any objection to the composition of the Board. The members of the Board did not indicate any bias with respect to this file.

Preliminary Matters

[2] The parties agreed that evidence, arguments and submissions would be carried forward, where applicable, to this file from roll number 10177253.

Background

[3] The subject is a large warehouse constructed in 2005 and located in the White Industrial subdivision of the City of Edmonton. The gross building area of the subject is 185,775 square feet. The main floor area is 178,695 square feet with a main floor office area of 16,490 square feet. There is upper floor area of 7,080 square feet. The site coverage of the subject is 42.1%. The subject consists of one building and is located on a major roadway. The 2013 assessment of the subject is \$17,365,000.

Issue

[4] Is the 2013 assessment of the subject fair and equitable when compared with the assessments of similar properties?

Legislation

[5] 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

[6] In support of the position that the current assessment of the subject was excessive, the Complainant provided a chart of the assessments of four properties which, in the opinion of the Complainant, were similar to the subject.

[7] The ages of the comparables ranged from 2002 to 2007. Site coverages ranged from 45% to 50% and leasable building area ranged from 159,658 square feet to 218,949 square feet. The Complainant stated that these characteristics were similar to the subject’s age (2004), site coverage (42%) and leasable building area (185,775 square feet). The assessments per square foot of the comparables ranged from \$79.59 to \$84.73 as compared to the assessment of the subject at \$93.47 per square foot. The Complainant stated that this evidence demonstrated that the current assessment of the subject was excessive.

[8] The Complainant submitted that the average assessment per square foot of the comparables was \$79.69 and that a value of \$79 per square foot would be appropriate to apply to the subject.

[9] The Complainant requested that the Board reduce the assessment of the subject to \$79 per square foot or \$14,676,000.

[10] After the presentation by the Respondent, the Complainant provided a rebuttal document to the Board (Exhibit C-2, 22 pages).

[11] The Complainant submitted that all the equity comparables except one that were provided by the Respondent were smaller than the subject. The Complainant also noted that the Respondent's comparables #3, #5 and #6 were located in a different quadrant of Edmonton than the subject. As well, the Complainant noted that the Respondent's comparables #2 and #4 had direct arterial access. The only access to the subject was via non-arterial roads. Further, only a portion of the subject had exposure to the arterial road and the tenant in the rear of the subject had no such exposure. In the opinion of the Complainant, this indirect access to the subject as well as the lack of exposure to a major roadway for the rear tenant would merit a reduction in the assessment.

[12] The Complainant also argued that the irregular shape of the subject lot would merit a reduction in the assessment.

[13] The Complainant repeated the request that the Board reduce the assessment of the subject to \$14,676,000.

Position of the Respondent

[14] The Respondent presented evidence (Exhibit R-1) and argument for the Board's review and consideration in support of the position that the current assessment of the subject property is correct, fair, and equitable.

[15] The Respondent provided six equity comparables (Exhibit R-1, page 22) for the subject. Two comparables (#2 & #4) were from industrial grouping 2, the same industrial area as subject. Comparable #1 was the same effective year built as the subject. Comparables #5 & #6 had the same or close to the same site coverage of the subject @ 42%. Comparable #6 was similar to the subject in terms of size of main floor office and comparable #6 had similar total building size as the subject.

[16] The Respondent recharted the Complainant's equity comparables (Exhibit R-1, page 13) and evaluated the comparables consistent with the standards of the Respondent. There were deficiencies noted for each of the four comparables including Complainant's equity comparables #1, 2, 3 & 4 as having an inferior location. As well, the Respondent noted that the Complainant's equity comparables #1, 2, 3 & 4 had different site coverage than the subject. As well, the Complainant's equity comparables #1 & #4 had less office finish on the main floor than the subject. The Respondent provided the detail report on each of the four equity comparables of the Complainant (Exhibit R-1, pages 24-27).

[17] The Respondent was clear in its evidence that the street address of the subject at 18404 116 Avenue NW is on a major roadway. The Respondent stated 184 Street is a major roadway to which the subject property has access.

[18] In summary, the Respondent requested the Board to confirm the 2013 assessment of subject property at \$17,365,000.

Decision

[19] The decision of the Board is to confirm the 2013 assessment of the subject at \$17,365,000.

Reasons for the Decision

[20] The Board notes that most of the equity comparables presented by the Complainant are not located on a major roadway while the subject is located on 184 Street, a major arterial road. In addition, comparable #1 presented by the Complainant is a two building property while the subject only consists of one building. All the comparables presented by the Complainant have a higher site coverage than the subject. In the opinion of the Board, these factors make the equity comparables of the Complainant of less assistance in establishing value for the subject.

[21] The Board also notes that the Complainant arrived at a value for the subject by using an averaging technique on these non-comparable properties. The Board's opinion is that this does not give an accurate value for the subject.

[22] With respect to the argument of the Complainant that the subject was a lot with an irregular shape and would presumably require a downward adjustment in the assessment, the Board notes that there was no information to support this argument in the Complainant's evidence.

[23] The Complainant argued that there should be a distinction between exposure and access. The Complainant submitted that, since the subject did not have direct access from 184 Street, there should be an adjustment for inferior access. The Board notes that access to the subject was via a turn from 184 Street and also notes that no evidence was provided to show that direct access was a superior attribute over indirect access.

[24] The Complainant also argued that the rear tenant in the subject did not have the same exposure as the front of the subject. In the opinion of the Board, the subject is valued as a whole and the subject does have exposure to a major roadway.

[25] With respect to the equity comparables presented by the Respondent, the Board notes that comparable #4 at 11204 184 Street is very similar to the subject in terms of location, industrial grouping, building count, age, site coverage and size. The assessment of this comparable supports the assessment of the subject.

[26] The Board concludes that the Complainant did not discharge the responsibility of providing sufficient compelling evidence to bring the assessment of the subject into doubt.

[27] The conclusion of the Board is that the 2013 assessment of the subject at \$17,365,000 is fair and equitable.

Dissenting Opinion

[28] There was no dissenting opinion.

Heard June 25, 2013.

Dated this 10th day of July, 2013, at the City of Edmonton, Alberta.



Harold Williams, Presiding Officer

Appearances:

Adam Greenough

Kerry Reimer

for the Complainant

Cam Ashmore

Suzanne Magdiak

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.