

## **Edmonton Composite Assessment Review Board**

**Citation: Altus Group v The City of Edmonton, 2013 ECARB 01223**

**Assessment Roll Number:** 1561174

**Municipal Address:** 17704 102 AVENUE NW

**Assessment Year:** 2013

**Assessment Type:** Annual New

Between:

**Altus Group**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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**DECISION OF**  
**Willard Hughes, Presiding Officer**  
**James Wall, Board Member**  
**Randy Townsend, Board Member**

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### **Procedural Matters**

[1] Upon questioning by the Presiding Officer the parties before the Board indicated no objection to the Board's composition. In addition, the Board Members indicated no bias with respect to this file.

### **Preliminary Matters**

[2] There were no preliminary matters.

### **Background**

[3] The subject property is a small industrial warehouse located in Stone Industrial subdivision in West Edmonton. The total building area is 9,994 square feet, comprised of 7,979 square feet main floor and 2,015 square feet upper floor. The building was constructed in 1979 and has site coverage of 36%. The 2013 assessment is \$1,183,000, or \$118.38 per square foot.

### **Issue(s)**

[4] Is the 2013 assessment of the subject property, at \$1,183,000, correct?

### **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] The Complainant provided the Board with a 34 page submission (exhibit C-1) in support of their position that the assessment of the subject property is not fair and equitable.

[7] The Complainant stated that the subject property’s 2013 assessment was in excess of its market value based on the Direct Sales approach.

[8] The Complainant provided the Board with four sales comparables (exhibit C-1, page 8) which indicated a time-adjusted sale price (TASP) range of \$90.51 to \$127.47 per square foot of leasable building area (LBA), a median of \$91.49 per square foot, and an average of \$99.23 per square foot. In addition, the four sales comparables had a time-adjusted sale price range of \$86.49 to \$168.35 per square foot of main floor area, a median of \$103.68 per square foot, and an average of \$115.55 per square foot.

[9] In response to a question from the Board, the Complainant’s opinion was that the best comparable was #4, due to its location relative to the subject.

[10] The Complainant, based on the results of the Direct Sales Approach, requested the Board reduce the subject property's 2013 assessment from \$1,183,000 to \$999,000, or \$100.00 TASP/SF LBA.

### **Position of the Respondent**

[11] The Respondent provided the Board with a 61 page submission (exhibit R-1) in support of the assessment. The submission contained information on mass appraisal, factors affecting value, maps showing groupings of industrial property in three quadrants of the city, excerpts from The Appraisal of Real Estate, chart of Direct Sales Comparables, and a Law and Legislation brief.

[12] The Respondent provided the Board with a chart of six sales comparables (exhibit R-1, page 20). These comparables indicated time-adjusted ranges of \$116.92 to \$159.52 per square foot of main floor, and \$116.92 to \$143.13 per square foot of total area.

[13] In response to a question from the Board, the Respondent indicated their best comparable was #3.

[14] The sales comparables ranged in years built from 1964 to 1981. The subject was constructed in 1979. Sales occurred between April 2008 and April 2011.

[15] The Respondent noted that all of their comparables are located within Industrial Groupings 18 (Core South), 20 (Partially Serviced), and 49 (Yellowhead Corridor East), which are considered most comparable to the subject location in Industrial Grouping 17 (Core Northwest).

[16] The Respondent provided the Board with an analysis of the Complainant's sales comparables (exhibit R1, page 20), and noted that Complainant's sale #1 was a non arms-length sale and sale #3 was a lease influenced sale. These two sales should not be considered and be withdrawn.

[17] The Respondent pointed out to the Board that the Burden of Proof (exhibit R-1, pages 45 and 46) lies with the Complainant.

[18] Both the Respondent and Complainant inspected the subject property.

[19] The Respondent advised that their eight sales comparisons are similar to the subject and that seven confirm the Respondent assessment.

[20] The Respondent requested that the Board confirm the 2013 assessment of the subject property at \$1,183,000.

### **Rebuttal**

[21] In response, the Complainant provided the Board with a 20 page Rebuttal document (exhibit C-2).

[22] The Rebuttal document provided an analysis (exhibit C-2, page 5) of the Respondent's six sales comparables. The Complainant indicated that the Respondent's comparable #1 is located in the Northeast quadrant of the city compared to the subject's location in the Northwest quadrant. The Complainant added that the Respondent's sales comparable #2 is a 1963 original building with an addition constructed in 2002. The Complainant indicated comparable #4 is a sale leaseback, comparable #5 is a tenant purchase, and comparable #6 has 966 sq. ft. of cold storage which can drive up the sale price. All sales, in the Complainant's opinion, are different and not comparable to the subject site. Also, the Complainant stated that comparables #2, #3, #4 and #6 are southside locations, compared to the subject which has a northwest location.

[23] The Complainant withdrew comparables #1 and #3 from the Complainant list of comparables in agreement with the Respondent that these were not good indicators of value.

[24] The Complainant indicated that their two remaining sales comparables, #2 and #4, are good comparables, as they are located in the same industrial group (17).

[25] In summary, the Complainant requested the 2013 assessment be reduced from \$1,183,000 to \$999,000.

### **Decision**

[26] The decision of the Board is to confirm the 2013 assessment of \$1,183,000.

### **Reasons for the Decision**

[27] The Board has reviewed the Direct Sales comparables put forward by both parties. Of the eight comparables provided that are similar to the subject (six from Respondent and two from Complainant), seven have assessed values in excess of the subject. The Board believes one lower sale should not determine a reduction.

[28] The Board finds all comparables are in similar industrial groupings with similar attributes.

[29] Respondent comparable three (\$122.31 per square feet) is considered to be the closest comparable to the subject (\$118.38 per square feet).

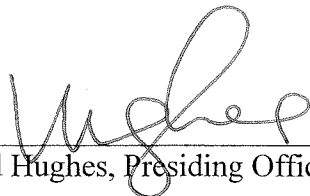
[29] Based on all evidence reviewed and argument put forward by both parties, the Board is of the opinion that the subject property's 2013 assessment at \$1,183,000 is fair and equitable.

### **Dissenting Opinion**

[30] There was no dissenting opinion.

Heard commencing July 17, 2013.

Dated this 13<sup>th</sup> day of August 2013, at the City of Edmonton, Alberta.

  
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Willard Hughes, Presiding Officer

### **Appearances:**

Adam Greenaugh, Altus Group  
for the Complainant

Joel Schmaus  
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.*