

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01225

Assessment Roll Number: 9541202
Municipal Address: 4205 76 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
Willard Hughes, Presiding Officer
James Wall, Board Member
Randy Townsend, Board Member

Procedural Matters

[1] No procedural matters were presented to the Board. There was no bias from any member of the Board.

Preliminary Matters

[2] There were no preliminary matters brought up by either party.

Background

[3] The subject property is a 173,730 sq.ft. (3.99 acre) parcel of land in the Weir Industrial subdivision. There are two buildings on the property with site coverage of 7.3%. The property address is 4205 – 76 Ave NW. The property fronts 76 Ave to the north, 74 Ave to the south and 42 St on the east side. Gross building size is 12,596 sq. ft. Building #1 was built in 1970 and has 5955 sq.ft of area with no upper floor finish. Building #2 was built in 1987 and is 6640 sq.ft. in size. It, also, has no upper office area. Both buildings have been rated to be in average condition.

[4] The subject property was appealed to the ARB in 2012 and a decision was rendered in that case to lower the 2012 assessed value. The 2013 assessment of this property is \$3,684,000, which works out to be \$292.47 per sq. ft. of building floor area.

Issue(s)

[5] Is the subject property assessment in excess of market value and inequitably assessed in comparison to similar properties?

Legislation

[6] **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

[7] The Complainant presented a list of five time-adjusted sales comparables (exhibit C-1, page 10) as part of their presentation. Selling prices per main floor area ranged from \$153.04 to \$227.86. The average of the five sales is \$180.84 and the median is \$172.17 per sq. ft. The subject property is at \$292.47 per sq.ft. The Complainant's requested value, based on sales comparison, is \$180.00 per sq.ft. or an assessment of \$2,267,000. All of the sale and equity comparables information can be found in exhibit C-1, pages 17 to 57.

[8] The Complainant also presented 13 equity comparables (exhibit C-1, page 11) as further evidence that the present assessed value is too high. The average of these thirteen equity comparables is \$189.29 and the median is \$199.58 per sq. ft. Based on an equity comparison the Complainant is requesting an assessment at \$184.00 per sq. ft.

[9] The Complainant successfully appealed the 2012 assessment and the assessment was reduced to \$2,560,500. The Complainant is asking that the Board reduce the 2013 assessment to \$2,317,500 on the basis of equity comparables. The Complainant stated to the Board that they are taking a more aggressive approach to valuation this year, by requesting a 10% reduction from last year's revised assessment, even though they do not believe the market has changed much in the past year.

[10] When asked by the Board whether or not site coverage (7.3%) of the subject and whether the fact that the subject potentially has three way access was considered the Respondent replied that they had taken all conditions into consideration in their equity comparables and still concluded that the subject property assessment is too high.

[11] In the opinion of the Complainant, equity comparison to similar properties is the best method of comparison for the subject. By this comparison the assessment for the subject indicates an assessment of \$2,317,500 rather than the current assessment of \$3,684,000.

Position of the Respondent

[12] The Respondent provided the Board with six time-adjusted sales comparables (exhibit R-1, page 28) as evidence. Sales comparable #6 is actually the subject property from a 2007 sale. Time adjusted this sale indicates a selling price of \$312 per sq.ft. as compared to the actual current assessment of \$292 per sq.ft. The overall average of the six sales comparisons is \$328.45 per sq. ft. If the subject property sale (#6) is removed from the mix the average is \$331.69 per sq. ft. . The median of five sales is \$290.63 per sq. ft.

[13] The Respondent also submitted into evidence (exhibit R-1, page 45) four equity comparables to support that the assessment is fair and equitable. The assessment per sq. ft. for these four properties ranges from a low of \$250.76 to a high of \$284.47 per sq. ft. . The average of the equity comparables is \$271.00 per sq. ft. . The average of the Complainant's equity comparables is \$216.19 per sq. ft. The Respondent provided, in their submission, the current data collection information on equity comparables of the Respondent and the Complainant.

[14] The Respondent stated to the Board that, in their opinion, the Complainant's equity comparables are not very comparable as three of the thirteen comparables are assessed on cost for the improvements and should not be used for comparison. All of the other ten properties need significant adjustments to make them comparable to the subject. The subject property is superior to most of the Complainant's comparables in location, building location on the parcel, parcel size and the fact that the subject has potential access on three sides. This, in the Respondent's opinion, is a considerable advantage.

[15] The Respondent did not rely on the previous Board decision for the subject property as they noted that each year a new assessment must be prepared based on market value.

[16] The Respondent has asked the Board to confirm the current assessment as it stands.

Rebuttal

[17] The Complainant presented rebuttal exhibit C-2, specifically found on pages 4 and 5, to counter some of the Respondent's evidence found in exhibit R-1. In this exhibit the Complainant attempts to show that the Complainant's sales and equity comparables are more similar to the subject property than those presented by the Respondent.

[18] The Complainant stands behind their initial request that the 2013 assessed value for the subject property should be set at \$2,317,500.

Decision

[19] The assessment is confirmed at \$3,684,000.

Reasons for the Decision

[20] The Board placed significant weight on the fact that the subject property has potentially three sided street access points. With the siting of the buildings on this parcel (3.99 ac) it could easily be subdivided into two or more parcels. This, in the Board's opinion, adds significant value to this property, which appears to have been the case with the current assessment.

[21] The Board was presented with very different comparables for both equity and sales from both parties at this hearing. As a result, the requested assessment for the subject property varies greatly. The Board had to weigh the strength of each party's comparables to the subject. The Board didn't find either party's comparables exceptionally compelling overall, as in almost all cases there were significant differences between the subject and the comparables.

[22] Three of the Complainant's sales comparables have upper floor office finish whereas the subject property has none. This, in the opinion of the Board, is an inequitable comparison as the comparables with upper floor space indicate a lower cost per sq. ft.

[23] Two of the Complainant's sales comparables are on arterial roads and three on interior roads, as is the subject. The best comparables would be the ones with the same type of road system so only three of the Complainant's are comparable without adjustment for this factor.

[24] Two of the Respondent's and two of the Complainant's sales comparisons have significantly higher site coverage than the subject. Three of each party's comparables have upper office space, which the subject does not have. Ages and floor size vary from the subject in both cases. These major differences make it difficult for the Board to draw conclusions from the comparables.

[25] In the Board's opinion the Respondent presented relevant information to discount the Complainant's sales comparables. The Board did not find the Complainant's rebuttal of the Respondent's sales comparables nearly as compelling.

[26] The Board agrees with the Complainant that the Respondent's sale #6, which is the subject property from a 2007 sale, is too old and should not be relied upon.

[27] Although the Respondent only presented four equity comparables the Respondent presented a fairly strong case as to why almost all of the Complainant's equity comparables were inferior to the subject. The Board is of the opinion that most of the Complainant's equity comparables are, in fact, inferior and would need to be raised in assessment per sq.ft. to equate to the subject.

[28] In analyzing the comparables presented by the Complainant it was noted that there are several discrepancies with the information presented by the Respondent. For example, in exhibit C-2, page 4 under the heading "City - Direct Sales Analysis" the Complainant shows significant site coverage differences (see sales #2 and #3) than what the Respondent's information in exhibit R-1 shows. This puts into question the Complainant's other information as to the validity of the data presented.

[29] The Board did not place any weight on the previous Board decision as this is a new case and the Board must make its decision based on the evidence presented to it.

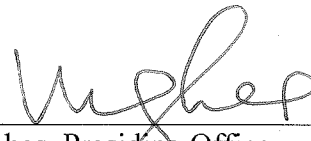
[30] Without compelling evidence to persuade the Board to alter the assessment the Board has no option but to confirm the assessment.

Dissenting Opinion

[31] There was no dissenting opinion by the Board members.

Heard commencing July 18, 2013.

Dated this 13th day of August, 2013, at the City of Edmonton, Alberta.



Willard Hughes, Presiding Officer

Appearances:

Adam Greenough
for the Complainant

Joel Schmaus, Assessor
Nancy Zong, Assessor, observing
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.