

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01686

Assessment Roll Number: 1074871

Municipal Address: 2010 80 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

Petra Hagemann, Presiding Officer

John Braim, Board Member

Pam Gill, Board Member

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 medium warehouse built in 1981 located at 2010 - 80 Avenue in the Southeast (annexed) Industrial subdivision of the City of Edmonton. The gross building area of the warehouse is 12,910 square feet (sq ft) with 3,413 sq ft of finished main floor office. It is located on a 45,738 sq ft parcel of land which produces a site coverage ratio 28%. The subject is assessed on the sales comparison approach at \$1,823,000 or \$141.21/sq ft.

Issue

[4] Is the subject property correctly assessed to reflect market value?

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 brief (C-1) to challenge the assessment of the subject. Three comparable sales (C-1, pg 8) were provided which were similar to the subject in site coverage, location, age, land size, gross building area and main floor finished area. Two had some finished space on the upper floor. These sales had an average time-adjusted sale price for total leasable area of \$127.76/sq ft and a median of \$127.18/sq ft compared to the subject's assessment of \$141.21/sq ft.

[7] The Complainant requested the assessment of the subject to be reduced to \$127.00/sq ft or \$1,639,500.

Position of the Respondent

[8] The Respondent submitted a brief (R-1) in defense of the 2013 assessment of the subject reminding the Board of the Mass Appraisal process (R-1, pg 12) and the Factors Affecting Value (R-1, pg 16-18). These factors in order of priority are: main floor building area, site coverage, effective age, condition, location, main floor finished area and upper floor finished area. Other adjustments such as for rear buildings with no street access etc. may be applied to properties on a site specific basis to recognize additional factors which may affect market value.

[9] The Respondent presented the Board with five comparable sales (R-1, pg 27). Comparables 1, 2 and 3 are the same properties submitted by the Complainant. The time-adjusted sale prices for total building area ranged from \$122.21/sq ft to \$204.60/sq ft, suggesting the assessment of the subject at \$141.21/sq ft to be correct as it falls within this range.

[10] The Respondent submitted six equity comparables (R-1, pg 34) to further suggest that the assessment of the subject is not only correct but also equitable when compared with assessments of similar properties. These properties were similar to the subject in location, age, site coverage, main floor area and main floor finished area. Three had no upper finished space (similar to the subject) and two had only minimal finish. Their assessments ranged from \$136/sq ft to \$144/sq ft compared to the subject's assessment of \$141/sq ft.

[11] The Respondent requested that the Board confirm the 2013 assessment of the subject at \$1,823,000.

Decision

[12] The decision of the Board is to reduce the assessment of the subject to \$1,639,500.

Reasons for the Decision

[13] The Board reviewed the three sales comparable provided by the Complainant and found these properties to be similar to the subject in location, age, size, site coverage, and gross building area. Their average and median assessment is \$127/sq ft compared to the assessment of the subject at \$141.21/sq ft. The Board finds that this is evidence that the subject's assessment may be excessive.

[14] The Board examined the five comparable sales provided by the Respondent. The first three are the same properties provided by the Complainant and support a reduction. Comparable 4 was superior to the subject in site coverage, age and had a smaller size (economies of scale). Sale 5 was superior to the subject due to its lower site coverage. Both of these sales needed downward adjustments; however, the Board was not given the variables for the adjustment. The Board therefore placed little weight on the Respondent's sale comparables #4 and #5.

[15] The Board examined the equity comparables provided by the Respondent. The assessments of these average \$135/sq ft suggesting the subject's assessment to be somewhat excessive.

[16] When presented with both sales and equity comparables, the Board finds that actual sales are stronger evidence of market value. The Board was most persuaded by the three sales comparables presented by the Complainant and therefore reduces the 2013 assessment of the subject from \$1,823,000 to \$1,639,500 or \$127/sq ft.

Dissenting Opinion

[17] There was no dissenting opinion.

Heard October 17, 2013.

Dated this 15th day of November, 2013, at the City of Edmonton, Alberta.

A handwritten signature in black ink, appearing to read 'Petra Hagemann', is written over a horizontal line.

Petra Hagemann, Presiding Officer

Appearances:

Adam Greenough
for the Complainant

Marcia Barker
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.