

## **Edmonton Composite Assessment Review Board**

**Citation: Altus Group v The City of Edmonton, 2013 ECARB 01700**

**Assessment Roll Number:** 2177251

**Municipal Address:** 14715 116 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**

**Petra Hagemann, Presiding Officer**

**John Braim, Board Member**

**Pam Gill, 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 medium warehouse located in the Huff Bremner Estate Industrial neighbourhood. The total building area is 17,267 square feet (sq. ft.), of which 15,149 sq. ft is main floor area. It was constructed in 1966 and has 38% site coverage. The 2013 assessment is \$1,685,000.

### **Issue**

[4] What is the fair market value of the subject?

### **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 presented written evidence (Exhibit C-1, 42 pages and Exhibit C-2, 20 pages) and oral argument for the Board's review and consideration.

[7] The Complainant submitted five sales comparables (C-1, page 8) that ranged in time adjusted sales price (TASP) per square foot of leasable building area from \$57.35/sq. ft to \$129.90/sq. ft. The Complainant downward adjusted comparables 3 to 5 by 10% for their location on an arterial road. As a result, the average of the comparables is \$84.91/sq. ft and the median is \$82.07/sq. ft. The subject is assessed at \$97.58/sq. ft.

[8] The Complainant submitted that sale 5 appeared to be an outlier at \$129.90/sq. ft and limited weight ought to be placed on it.

[9] In rebuttal the Complainant submitted that their sales comparables were located in the northwest (like the subject) and that 5 out of the 7 of the Respondent's sales were located on the south side (C-2, page 4), which is a superior location. Furthermore, the Complainant argued that the Respondent's comparables were newer than the subject, which would account for the higher values as well.

[10] The Complainant submitted that the Respondent's comparable 5 (Exhibit R-1, page 23) is a good comparable, with a TASP is \$86.42/sq.ft. However, it would have to be given a downward adjustment as it is newer than the subject by 8 years.

[11] In response to the Respondent's assertion that sale 4 was a motivated sale, (at a TASP of \$57.35) the Complainant stated that the requested assessment was for a higher amount (at \$80/sq. ft.).

[12] The Complainant requested that a reduction is justified based on the evidence presented and requested that the 2013 assessment be reduced to \$1,381,100.

### **Position of the Respondent**

[13] The Respondent presented written evidence (Exhibit R-1, 63 pages) and oral argument for the Board's review and consideration.

[14] The Respondent reminded the Board of the Mass Appraisal process (R-1, pp. 8-11) and the Factors Affecting Value (R-1, pp. 12-14). 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.

[15] The Respondent submitted 7 sales comparables (R-1, page 23) in defense of the subject's assessment. The TASP's for main floor area ranged from \$91.00/sq ft to \$144.00/sq ft and for total building area ranged from \$86.42/sq. ft to \$144/sq. ft. Five of the comparables are located in industrial group 18 (core southeast Edmonton). Sale 4 is the same as the Complainant's sale 5. The subject's assessment falls within the range.

[16] The Respondent also submitted 9 equity comparables that ranged from \$90/sq. ft. to \$123/sq. ft. The subject is assessed at \$98/sq. ft.

[17] The Respondent stated that its comparables were most similar to the subject in terms of main floor area, which is the first factor listed in the model and affects value the most. The Respondent also submitted that a building that is within 10 years of the age of the subject is still highly comparable.

[18] The Respondent critiqued the Complainant's sales as follows:

- i. Sale 1: if sale 5 is an outlier, this sale should be used with caution.
- ii. Sale 2: twice the size of the subject.
- iii. Sale 3: the size was corrected on this property and the actual value is \$107/sq. ft which supports the assessment.
- iv. Sale 4: this was a duress sale and is not used in the model.
- v. Sale 5: was also used by the Respondent, and is not the best comparable as it requires many adjustments. It was used by the Respondent because of its location on the north side.

[19] For these reasons the Respondent requested that the Board confirm the 2013 assessment of the subject at \$1,685,000.

### **Decision**

[20] The Board confirms the 2013 assessment of the subject at \$1,685,000.

### **Reasons for the Decision**

[21] The Board considered all the evidence before it and placed the greatest weight on the Respondent's sale and equity comparables. The Board found the top three factors affecting value (main floor, site coverage and age) were represented better by the Respondent's comparables.

[22] The Board agrees with the Respondent's argument as outlined in paragraph 18. The Complainant's only reliable sale is number 3, which supports the assessment.

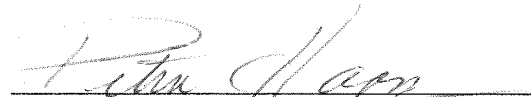
[23] For these reasons the Board finds that the subject is assessed at fair market value and confirms the 2013 assessment at \$1,685,000.

**Dissenting Opinion**

[24] There was no dissenting opinion.

Heard October 16, 2013.

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

  
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.*