

## Edmonton Composite Assessment Review Board

**Citation: Altus Group v The City of Edmonton, 2013 ECARB 00801**

**Assessment Roll Number:** 10161899  
**Municipal Address:** 10050 29A 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**  
**Harold Williams, Presiding Officer**  
**Martha Miller, Board Member**  
**Mary Sheldon, 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. The parties agreed that evidence, argument and submissions will be carried forward where applicable from roll number 10177253 to this file.

### **Background**

[3] The subject property is located in the Parsons Industrial subdivision. It is an industrial warehouse property containing one building constructed in 1976 with a total square footage of 101,847. It has an office area of 6,088 square feet on the main floor.

### **Issues**

[4] Is the 2013 assessment of the subject property correct when considering sales of similar properties?

[5] Is the 2013 assessment of the subject property fair and equitable when compared to assessments of similar properties?

[6] Is there deferred capital maintenance on the subject property that would affect the assessed value?

### **Legislation**

[7] 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.

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### **Position of the Complainant**

[8] In support of the position that the current assessment of the subject was excessive, the Complainant provided a chart of the sales of three properties which, in the opinion of the Complainant, were similar to the subject (Exhibit C-1, page 10). The Complainant submitted that this evidence demonstrated that the assessment did not reflect the market value of the subject.

[9] The Complainant argued that the time adjusted sale price per square foot of leasable building area ranged from \$78.66 to \$89.66 and averaged \$83.09 per square foot. The Complainant submitted that this showed that the assessment of the subject at \$96.50 per square foot was too high.

[10] The Complainant submitted that, based on the evidence of the comparable sales, a value of \$85.00 per square foot would be appropriate to apply to the subject. This would result in a total assessment for the subject of \$8,656,500.

[11] The Complainant also argued that the current assessment of the subject was not fair and equitable when compared with similar properties. In this regard, the Complainant provided a chart of the assessments of seven properties which, in the opinion of the Complainant, were similar to the subject (Exhibit C-1, page 11).

[12] The Complainant argued that the seven equity comparables were similar to the subject in terms of age, location and site coverage. The Complainant advised the Board that the assessment per square foot of the leasable building area of the comparables ranged from \$67.08 to \$122.83 and the average assessment per square foot was \$94.74. The Complainant argued that based on this evidence, it would be appropriate to place a value of \$82 per square foot for the subject. The resulting value for the subject would then be \$8,351,000.

[13] The Complainant also advised the Board that there were structural problems with the subject. The roof of the building required significant repairs to stop leaking and other deterioration. The Complainant provided the Board with an inspection report dated April, 2013 from a roofing contractor (Exhibit C-1, pages 43-66). This report outlined deficiencies with the roof and provided in the tender price submission an estimate of \$387,412.20 for repairs (Exhibit C-1, page 44).

[14] The Complainant requested that the Board reduce the current assessment of the subject to \$8,269,000. This represents the proposed market value of the subject pursuant to the direct sales approach of \$8,656,500 less a deduction for the cost of the roof repairs.

[15] Therefore, the Complainant requested that the Board reduce the current assessment of the subject to \$8,269,000.

[16] Subsequent to the Respondent's presentation, the Complainant presented a rebuttal document to the Board (Exhibit C-2, 20 pages).

[17] With respect to the sales comparables presented by the Respondent, the Complainant argued that three of the four are newer than the subject, two are in different locations in Edmonton and two have more office finish than the subject. The Complainant submitted that the Respondent had not provided good comparable sales to defend the assessment of the subject.

[18] With respect to the equity comparables presented by the Respondent, the Complainant argued that all are newer than the subject and the sizes of three of the four equity comparables of the Respondent are considerably less than the size of the subject. The Complainant submitted that the equity comparables presented by the Respondent do not show that the assessment of the subject is fair and equitable.

[19] The Complainant repeated the request that the Board reduce the 2013 assessment of the subject to \$8,269,000.

### **Position of the Respondent**

[20] The Respondent provided both sales and equity comparables for subject property in support of the 2013 assessment.

[21] The Respondent directed the Board to the evidence of the roofing issue raised by the Complainant (Exhibit C-1, page 12 and pages 43-60) and argued that the issue is consistent with any similar roof at the end of its service life (Exhibit R-1, page 9). Further, the Respondent stated, in the Board's review of the Complainant's roof information the repairs needed in 2013 estimated at \$5,000 (Exhibit C-1, page 60) may be of some relevance.

[22] The Respondent's equity comparable #1 (Exhibit R-1, page 27) is the same as the Complainant's equity comparable #6 (Exhibit C-1, page 11).

[23] The Respondent re-charted the Complainant's sales comparables (Exhibit R-1, page 28, and 29-34) and equity comparables (Exhibit R-1, page 35, and page 36-39) and evaluated the comparables consistent to the standards of the Respondent.

[24] In summary, the Respondent requested the 2013 assessment of subject property be confirmed at \$9,828,500.

## **Decision**

[25] The decision of the Board is to reduce the 2013 assessment of the subject property to \$8,351,000.

## **Reasons for the Decision**

[26] The Board reviewed information provided by the Complainant on 3 direct sales comparison properties. These properties were shown to be generally in the north west quadrant of the City with one comparable being in the south east quadrant. After reviewing the information the Board found that there were enough differences in terms of numbers of buildings per property, location, site coverage, and office finish area between the comparables and the subject property to question if the comparables were of any direct assistance in determining value.

[27] The Board reviewed information provided by the Respondent on 4 direct sales comparison properties. These properties were shown to be throughout the City. These comparables were shown to be similar in number of buildings per property but there were evident dissimilarities in items such as lot size, building age, building size, and site coverage. Because of these dissimilarities the Board found it could not put great weight on these comparables to determine if the subject property assessment was correct.

[28] The Board reviewed 7 assessment comparables provided by the Complainant. These comparables were shown to be generally in a similar geographic area of the City. The Board noted that the Complainant's assessment equity comparables #5, #6, and #7 were noticeably higher in assessment per square foot than the subject property although #6 and #7 were closest to the subject property in terms of site coverage. The Board noted that the Complainant's assessment comparable #4 is very similar to the subject property and shows an assessed value of \$82.17 per square foot as compared to the assessment shown for subject property of \$96.50 per square foot. The Complainant's assessment comparable #3 is similar to the subject property as well, although there are some differences in terms of building and lot size. Comparable #3 is shown at an assessed value of \$82.47 per square foot.

[29] The Board reviewed 4 assessment comparables provided by the Respondent. These comparables were shown to be in a generally similar geographic location within the City. There were issues of dissimilarities in these comparisons in areas such as lot size and building size. After review the Board considered comparable #2 provided by the Respondent as the most similar to the subject property. The comparable appears similar in items such as industrial grouping, site coverage, and office finish. However there is a 7 year age difference as well as significant lot and building size differences between the comparable and the subject property.

[30] After consideration of the assessment equity comparables of both parties, the Board preferred to rely on the comparables presented by the Complainant for the purposes of assessment equity. The comparables presented by the Complainant were seen as more similar to the subject property. Weight was placed on comparable #4 because of similarities in age and size as well as an acceptably similar range in location and site coverage.

[31] The Board reviewed the information provided by the Complainant concerning deferred maintenance in terms of roof repair. A roof condition report and an estimated cost of roof repair

was produced by a roofing contractor and was provided by the Complainant in its evidence. The Complainant requested that the assessed value of the subject property be lowered in accordance with their direct sales comparison and assessment comparison findings and that further, the estimated cost of roof repair be removed from their requested assessed value of the subject property. Included in the report of the contractor (Exhibit C-1, page 60) was a recommendation for immediate leakage repairs estimated at a cost of \$5,000. Also in reference to that page of evidence the roofing contractor indicates that leaks can be expected as the roof “approaches the end of it’s service life”. After reviewing the information The Board was of the opinion that the estimated major roof repair and the immediate leak repair mentioned in the contractor’s report are a reflection of normal aging and resultant maintenance requirements of the building and therefore would not affect the assessment of the subject property in an abnormal way.

[32] In the Board’s view, responsibility rests with the Complainant to provide sufficiently compelling evidence that would indicate an error in the assessment of the subject property.

[33] It is the Board’s opinion that such evidence was not provided by the Complainant in terms of the direct sales comparison approach, nor in terms of deferred maintenance information in this case.

[34] However it is the Board’s opinion that such evidence was provided in terms of assessment equity information in this case.

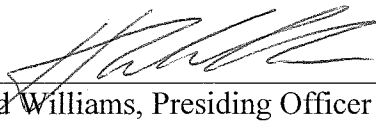
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**Dissenting Opinion**

[35] There was no dissenting opinion.

Heard commencing June 26, 2013.

Dated this 10<sup>th</sup> day of July, 2013, at the City of Edmonton, Alberta.

  
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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.*