

## Edmonton Composite Assessment Review Board

Citation: Altitude Consulting Inc v The City of Edmonton, 2014 ECARB 00102

Assessment Roll Number: 1133305  
Municipal Address: 12801 52 STREET NW  
Assessment Year: 2014  
Assessment Type: Annual New  
Assessment Amount: \$5,473,500

Between:

Altitude Consulting Inc as represented by CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

---

### DECISION OF

Harold Williams, Presiding Officer

Mary Sheldon, Board Member

Randy Townsend, Board Member

---

### Procedural Matters

[1] Upon questioning by the Presiding Officer the parties indicated they did not object to the Board's composition. In addition, the Board members stated they had no bias with respect to this file.

### Preliminary Matters

[2] There were no preliminary matters.

### Background

[3] The subject property under complaint is classified by the City as industrial warehousing and is located at 12801 – 52 Street within the Kennedale Industrial subdivision. The subject property contains two warehouse buildings built in 1977, one containing 30,479 square feet and one containing 31,239 square feet for a total building area of 61,718 square feet. The subject property was valued by the City using the Direct Sales Comparison approach resulting in a 2014 assessment of \$5,473,500.

### Issues

[4] Is the 2014 assessment of the subject property fair and equitable when considering the sales of comparable properties?

## **Position of the Complainant**

[5] The Complainant provided the Board with evidentiary documents Exhibits C-1 and C-2. Exhibit C-1, page 1, provides a listing of seven properties that sold between July 2011 and September 2013 that the Complainant stated are similar to the subject property. Exhibit C-1, pages 28 – 32, contained a copy of ECARB Decision #01948, which pertains to the 2013 assessment of the subject property. Exhibit C-2 contained information on the assessments of five of the seven properties.

[6] The number of buildings on the comparable properties ranged from one to four, in comparison to the subject property with two buildings. Total building square footage on the comparables ranged from 39,679 square feet to 97,804 square feet. Site coverage for the seven properties ranged from 28% to 58%, in comparison to the subject property at 52%. Time adjusted sale prices (TASP) ranged from \$66.80 per square foot to \$95.94 per square foot. The Complainant used the City's time adjustment chart to adjust sales comparisons to current value. (Exhibit C-1, page 27).

[7] The Complainant argued that the sales comparisons provided in Exhibit C-1 showed that a base year market value for the subject property of \$77.00 per square foot would be more reasonable than the \$88.69 per square foot used by the City.

[8] The Complainant also pointed out that the 2013 ECARB decision resulted in a reduction of the 2013 assessment for the subject property and argued that this information demonstrates that the current 2014 assessment of the subject property is excessive.

[9] The Complainant critiqued the Respondent's sales comparables pointing out that many significant adjustments to the comparables would be required to bring them in line with the attributes of the subject property. Some of the adjustments pointed out were for location, building size and age as well as site coverage. The Complainant pointed out that the fewer adjustments required the better to make comparisons.

[10] Finally the Complainant argued that the seven sales comparisons provided in Exhibit C-1 showed that the subject property was assessed too high and asked the Board to reduce the 2014 assessment for the subject property to \$4,752,000.

## **Position of the Respondent**

[11] The Respondent provided the Board with evidentiary document Exhibit R-1, containing information on the sales of properties that the Respondent stated were similar to the subject property. It also contains information on Mass Appraisal, the City of Edmonton's assessment process, Factors Affecting Value, Provincial Assessment Quality Standards, and Law and Legislation governing assessment in Alberta.

[12] Exhibit R-1, page 13 showed a listing of five properties that sold between September 2010 and February 2013. The number of buildings on these properties ranged from one to two, in comparison to the subject property with two buildings. Total building square footage ranged from 44,101 square feet to 74,339 square feet. Site coverage for the five properties ranged from 34% to 57%, in comparison to the subject property at 52%. Time adjusted sale prices ranged from \$70.74 per square foot to \$134.63 per square foot. Two of the five sales listed (Respondent's sales #2 and #4) were the same as those listed among the seven sales provided by the Complainant (sales #2 and #3).

[13] The Respondent argued that the sales comparisons shown in Exhibit R-1 demonstrated that the 2014 market value of \$88.69 per square foot for the subject property was reasonable and asked the Board to confirm the 2014 assessment for the subject property at \$5,473,500.

[14] The Respondent critiqued the Complainant's sales comparisons pointing out that the Complainant's sales #6 and #7 were "post facto" sales, meaning that they occurred after the July 01, 2013 valuation date outlined in legislation. The Respondent also pointed out that the Complainant's sale #5 was part of a multi parcel sale and that Complainant's property sale # 4 contains five buildings and is assessed on a cost basis therefore making it a non-comparable sale in relation to the subject property.

[15] Finally the Respondent argued that the five sales comparisons provided in Exhibit R-1 showed that the subject property was assessed correctly.

### **Decision**

[16] The decision of the Board is to reduce the 2014 assessment of the subject property to \$4,752,000.

### **Reasons for the Decision**

[17] The Board reviewed the sales comparisons information provided by both parties. The Board agreed with the Respondents argument that the Complainant's sales #4, #5, #6, and #7 were not reliable indicators of value because of the issues expressed in the Respondent's critique of the Complainant's sales comparisons.

[18] The Board placed emphasis on the Complainant's sale #2, which was also the Respondent's sale #2, and on the Complainant's sale #3, which was the Respondent's sale #4. The Board noted that common sale #2 would likely require adjustment due to size difference in relation to the subject property. The Board also relied on the Respondent's sale #5 that appeared to be quite close to the subject property in terms of size and site coverage and acceptably close in age. In the opinion of the Board the Respondent's sale # 1 and sale #3 would require adjustments for size and particularly for site coverage.


[19] Finally the Board considered the Respondent's sale #5 to be closest in comparison to the subject property showing a total adjusted sale price per square foot of \$77.47 which coincides closely with the Complainant's requested price per square foot of \$77.00.

### **Dissenting Opinion**

[20] There was no dissenting opinion.

Heard April 22, 2014.

Dated this 30<sup>th</sup> day of April, 2014, at the City of Edmonton, Alberta.

for   
Harold Williams, Presiding Officer

**Appearances:**

Tom Janzen, CVG  
for the Complainant

Luis Delgado, Assessor  
Melissa Zayac, Assessor  
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.*

## Appendix

### Legislation

**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.

### Exhibits

Exhibit C-1 Complainant’s submission

Exhibit R-1 Respondent’s submission

Exhibit C-2 Complainant’s rebuttal submission