

**NOTICE OF DECISION      NO. 0098 11/12**

Linnell Taylor Assessment Strategies  
Suite 802, 1039-17 Avenue SW  
Calgary, AB T2T 0B2

The City of Edmonton  
Assessment and Taxation Branch  
600 Chancery Hall  
3 Sir Winston Churchill Square  
Edmonton AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from a hearing held on June 4, 2012, respecting a complaint for:

<b>Roll Number</b>	<b>Municipal Address</b>	<b>Legal Description</b>	<b>Assessed Value</b>	<b>Assessment Type</b>	<b>Assessment Notice for:</b>
4149258	17808 116 Avenue NW	Plan: 9021777 Block: 4 Lot: 12	\$4,014,500	Annual New	2012

*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.*

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cc: CVG  
Coaster Holdings Inc.

## **Edmonton Composite Assessment Review Board**

**Citation: Linnell Taylor Assessment Strategies v The City of Edmonton, 2012 ECARB 328**

**Assessment Roll Number:** 4149258

**Municipal Address:** 17808 116 Avenue NW

**Assessment Year:** 2012

**Assessment Type:** Annual New

**Between:**

**Linnell Taylor Assessment Strategies**

Complainant

**and**

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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### **DECISION OF**

**Robert Mowbrey, Presiding Officer**

**Taras Luciw, Board Member**

**Tom Eapen, Board Member**

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### **Preliminary Matters**

[1] When asked by the Presiding Officer, the parties indicated no objection to the composition of the Board. The Board members indicated they had no bias in the matter before them.

### **Background**

[2] The subject property is situated on a 119,350 square foot site and consists of a single tenant office/warehouse containing 40,764 square feet. The subject property was built in 1990, deemed to be in average condition and has an assessment of \$4,014,500.

### **Issue**

[3] Is the assessment of the subject property too high when compared to similar properties?

### **Legislation**

[4] The Municipal Government Act reads:

***Municipal Government Act, RSA 2000, c M-26***

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**

[5] The Complainant filed this complaint on the basis that the subject property assessment of \$4,014,500 is in excess of market value. In support of this position, the Complainant submitted written evidence containing 17 pages that was entered as exhibit C-1.

[6] The evidence included nine sale comparables that reflected time adjusted sale prices ranging from \$56.09 to \$96.31 per square foot while the subject is assessed at \$98.48 per square foot. The age of the comparable properties ranged from 1971 to 1997, their building size ranged from 25,200 to 69,209 square feet and their site coverage ranged from 18% to 52% as compared to the subject which was constructed in 1990, contains 40,764 square feet and has site coverage of 34%.

[7] The Complainant advised the Board that the most weight should be placed on comparable numbers 1, 3, 5, and 7. The Complainant concluded that a market value of \$90.00 per square foot was appropriate and a request to reduce the assessment to \$3,668,500 was made.

[8] During summation, the Complainant addressed the Respondent's sales comparables and described them as being at the high end of the price range, in better locations and generally smaller.

**Position of the Respondent**

[9] The Respondent explained that the subject assessment and similar assessments were prepared using the sales approach. The Respondent submitted written evidence containing 27 pages that was entered as exhibit R-1 as well as a Property Assessment Law and Legislation brief containing 44 pages, entered as exhibit R-2.

[10] The Respondent referenced page six of R-1 and noted that the Mass Appraisal Approach for the subject property was conducted by the sales comparison approach. Support for the sales comparison approach comes from several reputable sources:

“When sufficient valid sales are available, this approach tends to be the preferred valuation method.” IAAO, *Standard on Mass Appraisal of Real Property*, Chicago, Illinois, 2002, section 4.3.

“The Direct Comparison approach is applicable to all types of real property interests when there are sufficient recent, reliable transactions to indicate value patterns or trends

in the market. For property types that are bought and sold regularly, the direct comparison approach often provides a supportable indication of market value. When data are available, this is the most straightforward and simple way to explain and support a value opinion.” Appraisal Institute of Canada, *The Appraisal of Real Estate, Second Canadian Edition*, Vancouver, British Columbia, 2002, page 17.3.

[11] Further, on page seven, R-1, the Application of Mass Appraisal Process includes the following:

**Sales Comparison Model:** Sales occurring from January 2008 through June 2011 were used in model development and testing.

Factors found to affect value in the warehouse inventory were: the location of the property, the size of the lot, the age and condition of the buildings, the total area of the main floor (per building), amount of finished area on the main floor as well as developed upper area (per building).

[12] Page eight of R-1 includes the Unit of Comparison and Site Coverage:

The most common unit of comparison for industrial properties is value per *square foot of building area*. When comparing properties on this basis, it is imperative that the site coverage be a key factor in the comparison.

Site coverage expresses the relationship between the main floor area of the building and the amount of land associated with it. Properties with a larger amount of land in relation to the building footprint will see a higher value per square foot, as each square foot has to account for the additional value attributable to the larger land area.

[13] The Respondent’s evidence contained five sale comparables, three of which were also presented by the Complainant. The time adjusted sale prices of the five comparables ranged from \$79.51 to \$117.43 per square foot. The age of the comparables ranged from 1971 to 1992, their size ranged from 30,752 to 44,101 square feet, and their site coverage ranged from 24% to 43%.

[14] The Respondent described the three comparables common to both parties as being older than the subject. Comparable numbers four and five had higher site coverage. Further, the upper floor area in comparable number four, diluted the per square foot price. (Exhibit R-1 page 16).

[15] The Respondent questioned the validity of two of the Complainant’s comparables. Comparable number one was described as sold by a motivated vendor for less than market value (Exhibit R-1 page 22). The Respondent referred to C-1, page 12, where it was noted that comparable number five described the purchaser and tenant as being affiliated.

[16] The Respondent requested the Board to confirm the assessment of \$4,014,500.

### **Decision**

[17] The decision of the Board is to reduce the assessment to \$3,668,500.

### **Reasons for the Decision**

[18] The Board is persuaded by the three comparables sales common to both parties. The sale dates of the three properties, ranging from January 2011 to April 2011, are the most recent of all comparables and reflect the market values at that time. The average time adjusted sales price per square foot of these three comparables is \$89.30, and supports the reduction requested by the Complainant.

[19] The Board is not persuaded by the Respondent's other two comparables. Comparable number one is 20% smaller with a 12% larger lot size and lower site coverage of 24%. Comparable number two has a larger lot size, a larger building area and is demised as a ten bay multi-tenant warehouse whereas the subject is a single tenant building.

### **Dissenting Opinion**

[20] There is no dissenting opinion.

Heard commencing June 4, 2012.

Dated this 5<sup>th</sup> day of June, 2012, at the City of Edmonton, Alberta.

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Robert Mowbrey, Presiding Officer

### **Appearances:**

Tom Janzen, CVG

for the Complainant

Mary-Alice Nagy, City of Edmonton

for the Respondent