

NOTICE OF DECISION NO. 0098 85/12

CUSHMAN & WAKEFIELD LTD
1730 - 111 5 AVENUE SW
CALGARY, AB T2P 3Y6

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 25, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1111681	21004 109 Avenue NW	Plan: 442RS Lot: D	\$3,089,500	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.

cc: JAMES SINCLAIR MANAGEMENT LTD.

Edmonton Composite Assessment Review Board

Citation: Cushman & Wakefield Ltd v The City of Edmonton, 2012 ECARB 1315

Assessment Roll Number: 1111681

Municipal Address: 21004 109 Avenue NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

Cushman & Wakefield Ltd

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Peter Irwin, Presiding Officer
Lillian Lundgren, Board Member
Ron Funnell, Board Member

Preliminary Matters

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

Background

[2] The subject warehouse property is located at 21004 109 Avenue NW in the Winterburn Industrial Area East. The property comprises a 411,708 square foot (sf) lot improved with two buildings. Building #1 has an area of 19,846 sf and an effective year built of 1979. Building #2 has an area of 2553 sf and an effective year built of 1965. The site coverage is 4.8%.

Issue(s)

[3] The issues are:

1. Is the subject property correctly assessed?
2. Is the subject property equitably assessed with similar properties?

Legislation

[4] The *Municipal Government Act*, RSA 2000, c M-26 (MGA) reads:

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 \$3,089,500 (\$137.93/sf) is incorrect and inequitable.

[6] The Complainant argued that the subject property is incorrectly assessed based on the sale of a similar size parcel. In support of this argument, the Complainant presented a comparable sale located at 11210 Winterburn Rd NW that sold for \$5,700,000 (\$190/sf) on December 15, 2011. The 13.99 acre lot is improved with a 30,000 sf building. The site coverage is 5%. This property is assessed at \$3,461,500 or approximately \$115/sf. It is noted that the Respondent states that the assessment for this property is \$108/sf.

[7] The Complainant also argued that the subject property is inequitably assessed with similar properties. The Complainant presented two equity comparables located at 21230 109 Avenue NW and 11310 Winterburn Rd NW assessed at \$116/sf and \$115/sf respectively.

[8] In summary, the Complainant requested the Board to reduce the assessment to \$2,600,000 or \$116 per square foot.

Position Of The Respondent

[9] The Respondent submitted that the subject property assessment of \$3,089,500 is correct and equitable.

[10] The subject property is assessed on the direct sales approach because the main warehouse building has worth. The smaller 2553 sf quonset building has minimal value and is valued on the cost approach.

[11] The Respondent stated that the Complainant failed to provide any sales evidence that the subject assessment is incorrect. The Respondent stated that the Complainant's comparable sale located at 11210 Winterburn Rd NW sold in December 2011 and is a post facto sale. As well, this property is inferior to the subject because it has a total of ten buildings, two of which are in fair condition. The assessment of \$108/sf reflects the larger total area of the buildings and the fair condition of two buildings.

[12] The Respondent stated that the Complainant's two equity comparables located at 21230 109 Avenue NW and 11310 Winterburn Rd NW are not similar to the subject because they each have six buildings. The comparable at 11310 Winterburn Rd NW has four industrial buildings, one material storage building and one relocatable office.

[13] In summary, the Respondent requested the Board to confirm the subject assessment at \$3,089,500.

Decision

[14] The property assessment is confirmed at \$3,089,500.

Reasons For The Decision

[15] In reviewing this matter, the Board finds that the Complainant did not provide sufficient evidence to convince the Board that the subject assessment is incorrect. The Complainant's comparable sale at 11310 Winterburn Rd NW is not a reliable indicator of market value for the subject property. It sold approximately five months after the valuation date of July 1, 2011 and is not similar in terms of building area or condition.

[16] With respect to the issue of equity, the Board finds that the Complainant's equity comparables are not sufficiently similar to the subject property to demonstrate an inequity. The comparables each have six buildings and the subject has two buildings.

[17] Based on the above reasons, the Board finds that the subject assessment is fair and equitable.

Heard commencing June 25, 2012.

Dated this 25th day of July, 2012, at the City of Edmonton, Alberta.

Peter Irwin, Presiding Officer

Appearances:

Jan Goresht
for the Complainant

Joel Schmaus
for the Respondent