



## ASSESSMENT REVIEW BOARD

Churchill Building  
10019 103 Avenue  
Edmonton AB T5J 0G9  
Phone: (780) 496-5026

### NOTICE OF DECISION NO. 0098 877/11

COLLIERS INTERNATIONAL REALTY  
ADVISORS INC  
1000-335 8TH AVE SW  
CALGARY, AB T2P 1C9

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 March 21, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1544253	16936 110 Avenue NW	Plan: 2477KS Block: 5 Lot: 11 / Plan: 2477KS Block: 5 Lot: 12	\$3,815,500	Annual New	2011

#### Before:

Warren Garten, Presiding Officer  
George Zaharia, Board Member  
Tony Slemko, Board Member

**Board Officer:** Jason Morris

#### Persons Appearing on behalf of Complainant:

Stephen Cook, Colliers International

#### Persons Appearing on behalf of Respondent:

Mary-Alice Nagy, Assessor, City of Edmonton  
Veronika Ferenc-Berry, Law Branch, City of Edmonton

## **PROCEDURAL MATTERS**

The parties indicated they had no objection to the composition of the Board. In addition, the Board members indicated they had no bias on this file. The Respondent's legal counsel requested that all witnesses be sworn in.

## **PRELIMINARY MATTERS**

The Respondent raised concerns as to the Complainant's rebuttal document in that it introduced "time adjustments" that had not been previously disclosed. The Complainant explained that the rebuttal was in response to the Respondent's evidence that indicated that the time-adjusted sales prices showed an increase over the original sale price. There was no further discussion and the hearing proceeded.

## **BACKGROUND**

The subject property is a warehouse built in 1977, and is located at 16936 - 110 Avenue NW within the West Sheffield Industrial neighborhood of west Edmonton. The building has approximately 44,900 square feet of total floor space, and is situated on a lot zoned IM, 84,930 square feet (1.95 acres) in size, resulting in a 47% site coverage.

The subject property was assessed on the direct sales approach resulting in a 2011 assessment of \$3,815,500.

## **ISSUE(S)**

Is the 2011 assessment of the subject property at \$3,815,500 fair and equitable compared to sales of similar properties?

## **LEGISLATION**

### ***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**

1. The Complainant provided a recent assessment history of the subject property that showed a 5.3% increase in the 2011 assessment compared to the 2010 assessment, arguing that there is no justification based on sales of similar properties for such an increase (Exhibit C-1, pages 3 and 8).

2. To support his position that the 2011 assessment of the subject property was excessive, the Complainant provided four sales comparables of similar properties that sold between June 2009 and May 2010. These four industrial warehouses located in west Edmonton ranged in total building size from 54,555 to 70,567 square feet, and sold for between \$60.03 and \$72.63 per square foot. (Exhibit C-1, pages 7 & 8).
3. Based on these sales comparables, the Complainant chose \$70.00 per square foot as a reasonable value instead of the \$84.98 per square foot assessment applied by the Respondent (Exhibit C-1, page 8).
4. The Complainant submitted a rebuttal document, marked as C-2, challenging the appropriateness of the Respondent's sales comparables. It was argued that two of the comparables had significantly lower site coverage than the subject which would result in a higher valuation per square foot. The Complainant also argued that zoning, dated sales, and being located on major arterial roadways rendered the Respondent's sales comparables inappropriate. The Complainant singled out the Respondent's sale comparable number four as a "showroom", arguing that it was a superior property. (Exhibit C-2, page 3).
5. The Complainant argued that land zoned IB is superior to land zoned IM since they are usually located on major roads for greater visibility (Exhibit C-2, page 3).
6. The Complainant provided a graph showing the trending of warehouse sales between January 2007 and the valuation date of July 1, 2010. The graph showed an upward trend in prices up to the beginning of 2008 and then falling until the beginning of 2010, thereafter increasing until valuation date. The Complainant plotted his sales on the graph as being close to the valuation date, while the Respondent's sales were dated sales and were plotted at both the low and high ends of the graph (Exhibit C-2, page 6).
7. The Complainant requested the Board to reduce the 2011 assessment from \$3,815,500 to \$3,115,000.

### **POSITION OF THE RESPONDENT**

1. The Respondent stated that industrial properties are valued using the direct sales approach of mass appraisal since *a large percentage of industrial property in Edmonton is owner-occupied, and as such has no income attributable to it*. The Respondent advised that sales occurring from January 2007 through June 2010 were used in developing and testing the model. As well, factors found to affect value in the warehouse inventory were: location, lot size, age and condition of the building, the total area of main floor, developed second floor and mezzanine space (Exhibit R-1, pages 5 & 6).
2. The Respondent provided four sales comparables, all located in west Edmonton that occurred between June 4, 2007 and January 4, 2008, for time-adjusted sale prices that ranged between \$79.67 and \$101.65 per square foot, compared to assessment of \$84.98 per square foot of the subject property. The comparables were similar to the subject in age, lot and building size, and site coverage (Exhibit R-1, page 21). It was the position of the Respondent that the comparables reflected fairness and equity.

3. The Respondent argued that the subject is located on a major roadway, and has not found that there is any difference in value between IM and IB zoned land.
4. The Respondent requested the Board to confirm the 2011 assessment of subject property at \$3,815,500.

## **DECISION**

The decision of the Board is to confirm the 2011 assessment of the subject property at \$3,815,500.

## **REASONS FOR THE DECISION**

1. The Board placed some weight the Complainant's sales comparables number one, three and four for the following reasons: 1) sales comparable number one occurred within two months of the valuation date, basically needing no time-adjustment, 2) the site coverage of the comparables at 43%, 42%, and 52% were quite similar to the 47% site coverage of the subject, and 3) the range of the building sizes of the comparables from 54,555 to 70,567 square feet was reasonable compared to the subject's building size of 44,900 square feet.
2. The Board placed considerable weight on the Respondent's sales comparables for the following reasons: 1) the subject's assessment at \$84.98 per square foot fell within the range of the comparables that went from \$79.67 to \$101.65 per square foot; 2) the lot size of the subject at 84,930 square feet was slightly smaller than the range of the comparables that went from 86,975 to 114,962 square feet; 3) the building size of the subject at 44,900 square feet is slightly larger than the range of the comparables that went from 39,343 to 46,685 square feet; 4) the age of the subject at 1977 fell within the range of the comparables that went from 1962 to 1979; and 5) the site coverage of the subject at 47% is virtually the same as two of the comparables at 45% and 46%, and reasonably comparable to the remaining two comparables at 34% and 37%.
3. Upon review of both sets of sales comparables, and removing the Complainant's sales comparable number two, the resulting average was \$82.25 per square foot, supporting the assessment of the subject property at \$84.98 per square foot.
4. The Board placed little weight on the Complainant's argument that IB zoned land would be more valuable than IM land in absence of any demonstrable proof.
5. The Board is persuaded that the 2011 assessment of \$3,815,500 of the subject property is fair and equitable.

## **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 13<sup>th</sup> day of April, 2012, at the City of Edmonton, in the Province of Alberta.

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Warren Garten, Presiding Officer

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*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: GE CANADA REAL ESTATE EQUITY HOLDING COMPANY / SOCIETE DE  
PORTEFEUILLE IMMOBIL