

Edmonton Composite Assessment Review Board

Citation: John C. Manning v The City of Edmonton, 2012 ECARB 1720

Assessment Roll Number: 1075308

Municipal Address: 9324 49 Street NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

John C. Manning

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Warren Garten, Presiding Officer
Brian Hetherington, Board Member
James Wall, Board Member

Preliminary Matters

[1] Upon questioning by the Presiding Officer, the parties did not object to the composition of the Board. In addition, the Board Members expressed no bias with regards to this matter.

Background

[2] The subject property consists of two identical-sized warehouse/office buildings, constructed in 1977. Each has a total main floor area of 30,929 square feet (sq. ft.), with a mezzanine area of 7,845 sq. ft. The buildings occupy 43% of a 143,698 sq. ft. site located at 9324 49 Street in Edmonton's Eastgate Business Park. The assessment for 2012 is \$6,460,500, or \$83.31 per sq. ft.

Issue(s)

[3] Is the Market Value, based on the Direct Comparison Approach to Value, correct?

Legislation

[4] The Municipal Government Act reads:

Municipal Government Act, RSA 2000, c M-26

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.

Position of the Complainant

[5] The Complainant presented the Board with an 18-page submission (C-1) in support of his request for a reduced assessment.

[6] The Complainant argued that the subject is over assessed, based on the Direct Comparison Approach.

[7] The Complainant presented five sales comparables to support his request for a reduced assessment (C-1, p. 1). The comparables were all in the same southeast quadrant of the City as the subject property and were similar in age, having been built between 1978 and 1979, while the subject was built in 1977. The building sizes ranged from 38,373 sq. ft. to 50,250 sq. ft. compared to the subject property’s size of 77,550 sq. ft. The comparables’ site coverages ranged from 27 – 48%, compared to the subject property’s coverage of 43%.

[8] The Complainant also presented detailed sales sheets for each of the comparable sales (C-1, pp 5-10).

[9] The Complainant informed the Board that an appeal had been heard by a CARB in September, 2011 on that year’s assessment of the subject property, and that the Board had reduced the assessment from \$6,596,500 to \$6,183,000.

[10] The Complainant told the Board that he had used similar comparables in 2011, but had added his fifth, which was a sale concluded in December, 2010.

[11] He suggested to the Board that his comparable # 3, located at 9333 49 Street, a property of 50,250 sq. ft. with a time-adjusted sales price (TASP) of \$72.07, was his best comparable.

[12] After pointing out that the City’s industrial time-adjustment chart showed no changes from May of 2011 to June of 2011 – the date for the 2012 assessments – the Complainant suggested that the amended assessment for 2011 should be adopted.

[13] Responding to a Board question, the Complainant said that his comparables #1 and 3 were both two-building sites, similar to the subject, and that #3 was directly across the street from the subject.

[14] In closing, he requested the Board reduce the assessment per sq. ft. to \$75.00 with a total assessment of \$5,800,000.

Position of the Respondent

[15] The Respondent presented the Board with a 33-page submission (R-1), together with a copy of the City's 44-page Law and Legislation briefing (C-2).

[16] The document included front and rear photographs of each of the two buildings on the subject site (R-1, pp 12-15).

[17] In support of his request to the Board for confirmation of the assessment of the subject property at \$6,460,500, the Respondent presented the Board with a chart of seven comparable sales (R-1, p. 18). The first four sales were single buildings ranging in size from 23,880 sq. ft. to 44,887 sq. ft. compared to the subject property of two buildings each of 38,774 sq. ft. The site coverages of the four comparables ranged from 35% - 46%, compared to the subject property's site coverage of 43%. The final three comparables on the chart were all multi-building properties, with sizes ranging from 34,733 sq. ft. to 68,460 sq. ft. and site coverages ranging from 12 - 20%.

[18] The per sq. ft. TASP's of the four single building properties ranged from \$86.88 to \$112.48, while the TASP's of the three multi-building properties ranged from \$143.96 to \$165.06.

[19] The Respondent informed the Board that the City had a policy regarding industrial sites with multiple buildings (R-1, p 26), which had been followed in setting the assessment for the subject.

[20] The Respondent informed the Board that multi-building industrial properties were normally selling at a higher value than single property sites, but when asked by the Board for evidence of the claim, he was unable to provide any.

[21] In closing, the Respondent requested the Board confirm the assessment of the subject property at \$6,460,500.

Decision

[22] The decision of the Board is to reduce the assessment to \$75.00 per sq. ft. for a total assessment of **\$5,800,000.**

Reasons for the Decision

[23] In reaching its decision, the Board considered all argument and evidence.

[24] The Board expressed the view that the Complainant's comparables were all of a similar age and size, while comparables 1 and 3 were both twin buildings, similar to the subject.

[25] The Board felt that particular emphasis should be given to the Complainant's comparable 3, as in addition to being a twin building, it was located directly across the street from the subject. This building had been sold in February 2009 for a TASP of \$72.07 per sq. ft.

[26] The Board was of the opinion that the sales presented by the Respondent, while classified as being in SE Edmonton, were generally remote from the subject. All four of the single-building properties were located between 40 and 50 blocks East of the subject, while the three multi-building properties were not considered to be true comparables and needed to be discounted.

[27] The Board also was of the opinion that the Respondent's comparable # 3 was largely a retail development and had significantly less comparability to the subject.

Dissenting Opinion

[28] There was no dissenting opinion

Heard on October 16, 2012.

Dated this 9 day of November, 2012, at the City of Edmonton, Alberta.

Warren Garten, Presiding Officer

Appearances:

Peter Smith
for the Complainant

Marty Carpentier
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.