

Edmonton Composite Assessment Review Board

Citation: Michele Warwa-Handel, APTAS v The City of Edmonton, 2013 ECARB 00807

Assessment Roll Number: 4277489

Municipal Address: 18130 105 AVENUE NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

Michele Warwa-Handel, APTAS

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Petra Hagemann, Presiding Officer

John Braim, Board Member

Pam Gill, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer, the parties before the Board indicated no objection to the Board's composition. In addition, the Board Members indicated no bias with respect to this file.

Background

[2] The subject property is a multi tenant medium industrial warehouse located at 18130 105 Avenue, in Wilson Industrial Park in the City of Edmonton. The 25,289 square feet (sq ft) building including 14,668 sq ft of finished main floor office space is located on a 1.675 acre lot representing 35% site coverage. The effective year built is 2002. It is in average condition. The 2013 assessment based on the sales comparison approach is \$3,382,000 or \$147.41/sq ft.

Issue(s)

[3] Is the assessment of the subject correct?

Legislation

[4] **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.

Position of the Complainant

[5] The Complainant provided the Board with a copy of 2012 CARB decision (C-1, pg 7-9) which resulted in a reduced assessment of the subject.

[6] Six sales comparables similar in location to the subject were presented (C-1, pg 10) to support the requested reduction in the assessment. The Complainant adjusted these sales for their differences in age, site coverage ratio, building area and sale dates to make them more comparable to the subject. The average of these adjustments, when applied to the time adjusted sales prices of the six comparables, resulted in a value of \$115.53/sq ft.

[7] The Complainant submitted eleven equity comparables similar to the subject in location, site coverage, and building size with an average assessment of \$121.11/sq ft compared to the subject's assessment of \$147.41/sq ft.

[8] The Complainant included (C-2) three sales comparables provided by the Respondent for the 2012 appeal of the subject's assessment. The City had been prevented from using these comparables last year as they had not been disclosed in time. The Complainant provided the 2012 and 2013 assessments as a comparison to the 2012 time adjusted sales prices for these properties.

[9] In Rebuttal (C-3, pg 2) the Complainant added the 2013 assessments to the time adjusted sales prices of the six sales comparables used by the Respondent in R-1, pg 13. The objective of this was to show the variance in the ASRs. The average assessments of sales 1, 3, 4, 5+6 was \$135.09/sq ft as compared to the subject's assessment of \$147.41/sq ft. Furthermore the Complainant noted that only one of the Respondent's sales comparables was in the same industrial group and only two were located in a similar location (NW) to the subject.

[10] Based on the evidence provided the Complainant requested the Board reduce the 2013 assessment to \$3,036,000 or \$120.00/sq ft.

Position of the Respondent

[11] The Respondent defended the 2013 assessment of the subject by providing the Board with six comparable sales (R-1, pg13), most of which were similar in site coverage, lot size and total main floor area. The time adjusted sales prices ranged from \$127.49 to \$158.45/sq ft, suggesting the assessment of the subject at \$147.41/sq ft is correct.

[12] To convince the Board that the assessment of the subject is also fair and equitable, the Respondent included seven equity comparables. These were similar to the subject in location, condition, lot size, age, site coverage ratio, and total main floor building area. They ranged in assessments from \$128 to \$155/sq ft. Comparable 1, 3 and 4 were common to both parties.

[13] The Respondent suggested the Board disregard the Complainant's sale #3, located at 12150 160 Street which sold Nov 30, 2012 (post facto) for \$3,500,000 and was resold Jan 29, 2013 for \$5,375,000. The City is of the opinion this sale is suspect and therefore is not considered a valid sale.

[14] The Respondent also wanted the Board to note that the finished main floor office space in Complainant's sale #5 had been misrepresented at 23,900 sq ft when in fact it was 20,006 on the main floor and 3,880 finished mezzanine space.

[15] The Respondent advised the Board to place little evidence on the CARB decision of 2012 as no evidence leading up to this decision was presented by the Complainant.

[16] Based on the evidence provided, the Respondent argued that the 2013 assessment of the subject is correct, fair and equitable and requested the Board confirm the assessment.

Decision

[17] The decision of the Board is to confirm the 2013 assessment.

Reasons for the Decision

[18] The Board placed little weight on the Complainant's sales comparables (C-1, pg10) as they were not similar to the subject in many of their attributes. The Complainant made adjustments for these variances; however the Board was not convinced that these adjustments which changed the time adjusted sales prices were correct since the Complainant did not provide supporting evidence.

[19] The Board placed little weight on the comparables (C-2, pg 17) the Complainant included from the 2012 appeal. These sales comparables had been provided by the City in support of the assessment of another property, namely 11350 182 Street. They are located on larger properties and no adjustments had been made for their different attributes to the subject. The 2013 assessments as compared to the 2012 time adjusted sales prices varied, but the Board found little relationship to the subject in this evidence.

[20] The Board reviewed the Complainant's equity comparables (C-1, pg 23). In the Board's opinion #1, 4 and 9 required only minor adjustments to make them similar to the subject. It raised the question that the subject may be unfairly assessed as compared to similar properties.

[21] The Board placed considerable weight on the Respondent's sales comparables (R-1, pg13), particular #1, 2, 3, and 5 due to their similarities to the subject in lot size and total building area. Their time adjusted sales prices average \$149.33/sq ft supporting the assessment of the subject at \$147.51/sq ft.

[22] The Board reviewed the Complainant's evidence (C-3, pg 2). Here the Respondent's time adjusted sale prices from R-1, pg 13 were compared to their 2013 assessments. Both the ARB and MGB have ruled on numerous occasions that market value encompasses a range of

values and that if the assessment falls within a 5% range of the evidence provided, no change in the assessment is warranted. This Board agrees and found that the ASRs of the sales most similar to the subject (see par 21 above) fall within this range.

[23] The Board found the Respondent's equity comparables (R-1, pg 20) similar to the subject in location, age, lot size, site coverage ratio and building area. Comparable #2, 6, and 7 also had similar main floor finished space to that of the subject. The average of these assessments is \$143/sq ft and their median is \$147/sq ft further supporting the assessment of the subject.

[24] The Board was most persuaded by the Respondent's sales and equity comparables and is of the opinion that the assessment of the subject is correct, fair and equitable.

Dissenting Opinion

[25] There was no dissenting opinion.

Heard commencing July 10, 2013.

Dated this 6th day of August, 2013, at the City of Edmonton, Alberta.


Petra Hagemann, Presiding Officer

Appearances:

Michele Warwa-Handel, APTAS
for the Complainant

Luis Delgado, 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.