

Edmonton Composite Assessment Review Board

**Citation: COLLIERS INTERNATIONAL REALTY ADVISORS INC v The City of
Edmonton, 2013 ECARB 00921**

Assessment Roll Number: 10142586
Municipal Address: 5103 36 STREET NW
Assessment Year: 2013
Assessment Type: Annual New

Between:

COLLIERS INTERNATIONAL REALTY ADVISORS INC

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Harold Williams, Presiding Officer
Dale Doan, Board Member
Brian Heatherington, 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 the file.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property located at 5103 – 36 Street is an 11.77 acre corner parcel of vacant land situated in the southeast industrial quadrant of the city. The subject is zoned IB and has full municipal services. The 2013 Assessment is \$5,576,500.

Issue(s)

[4] Is the 2013 assessment of the subject property fair and equitable when considering sales of similar properties?

Legislation

[5] 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

[6] The Complainant presented the Board with a 22-page document (C-1) in support of a request for a reduction in the assessment to \$400,000 per acre for a total assessment of \$4,708,000. The document contained details of the sales of five comparable properties of vacant industrial land in the southeast quadrant of the city.

[7] The Complainant drew the Board’s attention to the fact that the 2013 assessment is an 18.4% increase over the 2012 assessment of \$4,709,500. The Complainant also noted that the 2012 assessment had been reduced from \$5,338,000 as per an Edmonton CARB decision ECARB 2341 (C-1, pages 14 through 19).

[8] In support of the argument to reduce the 2013 assessment the Complainant presented the Board with a sales chart of five comparables (C-1, page 6). The sales ranged in size from 6.18 acres to 13.10 acres, compared to the subject property’s 11.77 acres; the sale dates ranged from February 2010 to June 2011. The sale prices per acre ranged from \$300,000 to \$430,000 averaging \$387,338 per acre compared to the assessment of the subject property at \$473,789 per acre. All sale prices were actual and no time adjustments were applied. The Complainant believed these sales comparables supported an assessment of \$400,000 per acre for the subject.

[9] The complainant also presented third party supporting documents for each of the five sales (C-1, pages 9 through 13).

[10] In closing the Complainant requested the Board reduce the 2013 assessment of the subject property to \$400,000 per acre for a total assessment of \$4,708,000.

Position of the Respondent

[11] The Respondent presented the Board with a 55-page brief (R-1) which included photographs, aerial views and maps of the subject property; the City's assessment detail report; a chart of seven comparable properties, third party supporting documents; an Edmonton CARB decision as well as City documents with Mass Appraisal and Law and Legislation.

[12] In support of the argument to confirm the 2013 assessment the Respondent presented the Board with a chart of four land sales and three equity comparables (R-1, page 20).

[13] The sales comparables ranged in size from 4.60 acres to 19.99 acres, compared to the subject property's 11.77 acres and the sales dates ranged from May 2010 to April 2012. The sale prices ranged from \$300,150 to \$684,208 per acre for an average of \$499,225 per acre. The Respondent's Sale #2 was also used by the Complainant (C-1, page 6. Sale #1). The Respondents sales data was time adjusted.

[14] The equity comparables ranged in size from 7.09 acres to 12.36 acres. The assessments per acre ranged from \$470,605 to \$673,920 for an average of \$559,106 per acre compared to the assessment of the subject property at \$473,789 per acre.

[15] The Respondent drew the Board's attention to the fact that the Complainant's sales comparable #2 was an abandoned spur line, being a narrow elongated site that had uneven topography and the Complainant's sales comparable #3 was a partially serviced site and as such little weight should be applied to these sales.

[16] The Respondent also drew the Board's attention to an Edmonton CARB decision (R-1, pages 25 through 29) In particular the Respondent highlighted paragraphs #16 and #25. These paragraphs infer some doubt as to the reliability and motivation factors with respect to some sales used in the Maple Grove area due to orders of foreclosure and orders for sale. The Respondent argued that these highlighted paragraphs should apply to the Complainant's sales comparables #4 and #5 both of which are located in the Maple Grove area.

[17] The Respondent requested that the Board confirm the 2013 assessment of the subject at \$5,576,500.

Decision

[18] The decision of the Board is to reduce the 2013 assessment of the subject property to \$400,000 per acre or \$4,708,000.

Reasons for the Decision

[19] While the Respondent indicated that the Complainant's sales comparables #4 and #5 located in the Maple Ridge area may have been affected by foreclosure orders and a judicial sales orders the Board noted that no evidence was presented to support that the sales were unreliable or that overall property sales in the Maple Ridge area are problematic.

[20] The Board noted that both parties indicated that the subject property's larger size presented difficulty in finding comparables. Due to economies of scale, smaller sized lots are less comparable and adjustments that must be applied weaken them as good comparables.

[21] The Board noted that of the nine sales comparables presented by both Parties only three of them were of significant size ranging from 11.63 to 19.99 acres while the subject is 11.77 acres. The Board placed more weight on these comparables. These three sales indicated a price per acre ranging from \$300,150 to \$410,000. The subject is assessed at \$473,669 per acre which is significantly outside the range indicated by the larger sites.

[22] The Board was strongly persuaded by the common sale used by both parties that indicated a time adjusted sale price per acre of \$403,633.

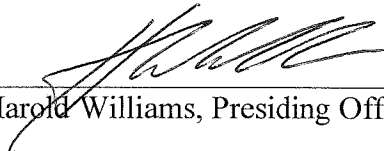
[23] The Board was convinced that the assessment was too high based on the comparison with similarly sized properties. The Board placed the most weight on the sale used by both parties at 5703-72A Avenue and believes that this supports the Complainant's request to reduce the assessment to \$400,000 per acre or \$4,708,000.

Dissenting Opinion

[24] There was no dissenting opinion.

Heard commencing August 7, 2013.

Dated this 27th day of August, 2013, at the City of Edmonton, Alberta.


Harold Williams, Presiding Officer

Appearances:

Stephen Cook, Colliers International
for the Complainant

Aaron Steblyk
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.