

## **Edmonton Composite Assessment Review Board**

**Citation: Liz McLeod MNP LLP v The City of Edmonton, 2013 ECARB 01064**

**Assessment Roll Number:** 1618669

**Municipal Address:** 16408 121A Avenue NW

**Assessment Year:** 2013

**Assessment Type:** Annual New

Between:

**Liz McLeod MNP LLP**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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### **DECISION OF**

**John Noonan, Presiding Officer**

**John Braim, Board Member**

**Judy Shewchuk, Board Member**

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### **Procedural Matters**

- [1] When asked by the Presiding Officer, the parties did not object to the composition of the Board. In addition, the Board Members indicated no bias in the matter before them.

### **Background**

- [2] The subject property comprises a light industrial building located in the north-west industrial district. The building was constructed in 1981, which is also the effective age, and was in average condition. The total building area extends to 91,644 square feet (sq ft) with 5,525 sq ft (6.0%) of main floor offices and an additional 5,525 sq ft of mezzanine offices. The lot size is 4.72 acres resulting in a site coverage ratio of 41.9%.
- [3] The property has been assessed by the direct sales comparison method and the assessment of \$6,616,500 equates to a unit rate of \$72.20/ sq ft of total building area.

### **Issue(s)**

1. Do the sales comparables show the subject is assessed at greater than market value?
2. Is the subject property assessed inequitably?

## **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 filed this complaint on the basis that the assessment of the subject property was much higher than the market value and was also inequitably assessed when compared to similar properties. The Complainant contended the property did not have direct access to/from Yellowhead Trail.

[6] In support of this position the Complainant provided a chart of 4 comparable sales from the north-west industrial area (Exhibit C-1, page 17). The buildings on the 4 properties ranged in age from 1970 to 1979 and had site areas ranging from 2.87 acres to 7.0 acres; 2 of the properties each had only 1 building and two had 2 buildings. The buildings ranged in size from 54, 555 sq ft to 114,036 sq ft and site coverage ratios (SCR) ranged from 37% to 58%. The sales were time adjusted to valuation day and the resulting rates indicated a value rate for the subject property ranging from \$59.23/ sq ft to \$80.95/ sq ft with an average of \$69.77/ sq ft and a median of \$69.46/ sq ft. The Complainant contended from this analysis a rate of \$65.00/ sq ft should be applied to the subject property for a market value assessment of \$5,956,500.

[7] The Complainant provided a chart of 9 comparable equity properties (C-1, page 22) containing buildings that ranged in age from 1973 to 1983; size from 66,316 sq ft to 117,770 sq ft; lot size from 2.96 acres to 5.59 acres; site coverage ratios (SCR) from 38% to 50% and resulted in unit assessment rates as follows:

	<b>Asst/SF Total</b>	<b>Assmt/SF Main</b>
<b>Range</b>	\$58.16 - \$79.13	\$63.12 - \$84.67
<b>Average</b>	\$67.70/sq ft	\$70.19/sq ft
<b>Median</b>	\$66.52/ sq. ft	68.89/sq ft

### **Position of the Respondent**

[8] The Respondent provided a chart of 5 comparable sales from the north-west industrial district that had effective years built ranging from 1975 to 1981. The buildings were in average condition; ranged in size from 51,826 sq ft to 135,566 sq ft and had SCR that ranged from 41% to 57%. The sales were all time adjusted and the unit rates for the comparables ranged from \$59.61/ sq ft to \$88.05/ sq ft whereas the subject is assessed at \$72.20/ sq ft. The chart was colour coded to inform the reader that further adjustments were required to make them more comparable to the subject property.

[9] The Respondent provided an equity chart of 5 comparable properties that were all located in the same industrial district. They each had varying proportions of main floor office space; were in average condition and ranged in effective age from 1975 to 1982. The total main floor building sizes ranged from 64,591 sq ft to 101,604 sq ft; the SCRs from 36% to 50% and the assessment rates from \$67.74/ sq ft to \$80.66/ sq ft with the subject property being assessed at \$72.20/ sq ft. Again the chart was colour coded to inform the reader that further adjustments were required to make them more comparable to the subject property. The Respondent informed the Board that equity comparables #1 and #3 corresponded with the Complainant's equity comparables #2 and sale #3 respectively.

[10] The Respondent provided a replica of the Complainant's equity chart that showed different total and main floor areas were being provided by the Complainant and the Respondent. The corresponding unit rates were therefore different and the Respondent contended that the Complainant's equity comparables support the assessment when the correct areas and the colour-coded adjustments were applied. The Respondent referred the Board to the factors affecting value indicating that the main floor area was the most important factor that affects value.

[11] In summation the Respondent asked the Board to place weight on the 5 sales comparables provided that were all located in the north-west industrial district, one of which had also been used by the Complainant. Two of the sales were on major roads and 3 had higher SCRs but supported the assessment when the colour coded adjustments were applied.

### **Decision**

[12] The Board reduces the assessment from \$6,616,500 to \$6,048,500.

### **Reasons for the Decision**

[13] The Board was unable to draw substantial conclusions from the sales comparables offered by the parties. They raised more questions than answers. Consequently, the Board turned its attention to the equity comparables.

[14] The Board found four equity comparables from the Complainant and two from the Respondent that were sufficiently similar to the subject to offer guidance. The average assessment per sq.ft. of all six comparables was \$64.74. This result was close to the Complainant's requested value of \$66 per sq.ft. based on the equity argument. Accordingly, the Board decided that an assessment of \$6,048,500 would be equitable.

Heard August 8, 2013.

Dated this 6<sup>th</sup> day of September, 2013, at the City of Edmonton, Alberta.

A handwritten signature in dark ink, appearing to read 'JPN Noonan', is written above a horizontal line.

John Noonan, Presiding Officer

**Appearances:**

Walid Melhem  
for the Complainant

Marcia Barker  
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.*