

Edmonton Composite Assessment Review Board

Citation: Colliers International Realty Advisors Inc v The City of Edmonton, 2013 ECARB 01246

Assessment Roll Number: 4994919

Municipal Address: 8840 126 AVENUE 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

Larry Loven, Presiding Officer

James Wall, Board Member

Randy Townsend, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer, the parties indicated that they had no objection to the composition of the Board. In addition, the Board members indicated that they had no bias in this matter.

Background

[2] The subject property is a 0.82 acre parcel, zoned IM and located at 8840 - 126 Ave NW. There is a small warehouse of 5120 sq. ft. built in 1958 on the site which is rated as being in poor condition by the Respondent. Site coverage of the property is 11%. The improvement assessment is \$49,128, with a total 2013 assessment of \$484,500.

Issue(s)

[3] Is the subject land fairly assessed in comparison to sales of comparable industrial properties?

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 presented their evidence, Exhibit C-1 ("C-1"), containing 27 pages, and requested the Board refer to six sales comparables similar to the subject property (C-1, p. 8). The comparables ranged in size from 1.00 acres to 5.78 acres. The size of the subject property was given as 0.82 acres. Price per acre for the comparables ranged from a low of \$132,020 to a high of \$450,000 per acre. The average was given as \$333,791 per acre, whereas the subject was assessed at \$531,173 per acre.

[6] The Complainant referenced the fact that one of the six comparables, #5, was located near Anthony Henday Drive and Sherwood Park Freeway, which was stated as being a fair distance from the subject. However, this sale was included as a comparable as its size was similar to the subject, had similar characteristics and was zoned the same as the subject. The other five comparables were shown to be located in relative proximity to the subject property.

[7] Details of the sales of the comparables were presented within the appendices (C-1, pp. 12-17). These documents and the information within were produced by *The Network*. The Complainant stated that they have complete confidence in *The Network* data.

[8] The Complainant provided the Board with *The Industrial Report* (C-1, pp. 18-19) produced by Avison Young, which indicates that serviced industrial land in NE Edmonton, as of early 2012, was selling on average for \$440,000 per acre. Of the three industrial areas in Edmonton, the NE was given, in general, as the lowest price per acre.

[9] The Complainant provided the Board with the CARB decision from 2012 for the exact same subject property (C-1, pp. 20-25). The Complainant pointed out to the Board that the very same argument and sales were presented to the Board last year and that the Board did find grounds to reduce the assessment. The Complainant stated that very little change has occurred in the industrial market in the past year to produce a 22.7% increase in the 2013 assessment over the revised 2012 assessment.

[10] The Complainant requested the Board to revise the 2013 assessment from \$484,500 to \$377,000.

[11] The Complainant provided the Board with their Rebuttal, Exhibit C-2 ("C-2") after the Respondent had presented their evidence to the Board. The Complainant provided "Issues with Respondent's Evidence" in which the Complainant stated their concerns with the sales used by

the Respondent in their market analysis, which forms the basis for the subject property's assessment (C-2, p. 6). The Complainant discounts the sales used by the Respondent as not being representative of the market value of industrial land in NE Edmonton.

[12] The Complainant provided a sales data sheet (C-2, p. 10) to show that the Respondent's sales comparable #1 should have very little weight place on it as it was acquired along with the adjoining property.

[13] In summary, the Complainant stated that the sales comparables produced by the Respondent are superior properties, in better locations than the subject, and therefore not really very comparable.

[14] Based on the information provided, the Complainant requested the 2013 assessment for the subject property be revised from \$484,500 to \$377,000, based on a land value of \$400,000 per acre.

Position of the Respondent

[15] The Respondent provided the Board with six sales comparables contained in Exhibit R-1 ("R-1") to show the Board that the subject assessment is not over assessed (R-1, p. 15). The average of these six time-adjusted sales comparables was given as \$678,988 per acre. Sizes of the comparables ranged from 0.85 to 1.35 acres, showing that they are very comparable to the subject in that regard. Data on the sales comparables was provided (R-1, pp. 16-21).

[16] The Respondent singled the Complainant's sales comparable #2, (R-1, p. 22) to show the Board that this parcel is very irregular in shape and is not typical to the subject. The Respondent accordingly contended this sale should have very little weight placed on it.

[17] The Respondent reproduced the Complainant's sales comparables. but with time-adjusted per acre sales prices (R-1, p. 27). The average time-adjusted sales price per acre was given as \$327,603 per acre, and the average total selling price was given as \$621,021, in comparison to the the assessment of the subject property at \$671,000. The Respondent reproduced the Complainants's sales comparables with time adjustments to show that the Complainant relied only on the information provided by *The Network* and did not fully analyze these sales themselves.

[18] The Respondent provided surebittal, Exhibit R-2 ("R-2"), which excerpted pages from the City of Edmonton *Average Traffic Volumes Annual Weekday 2007-20012*. The Respondent produced this information to show what the City of Edmonton considers to be major roadways, that is roads with traffic volumes of at least 15,000 vehicles per day. From this chart, the Respondent argued that its sales comparables are not on major roadways as indicated by the Complainant.

Decision

[19] The decision of the Board is to reduce the 2013 assessment of the subject property from \$484,500 to \$410,000. This is based on the value of the land at \$360,800, or \$440,000 per acre, plus the undisputed value of the improvement at \$49,128.

Reasons for the Decision

[20] The Board placed little weight on the Complainant's sales comparable #2 (C-1, p. 8) as this sale, at \$132,000 per acre, was considered by the Board to be an outlier. The Complainant admitted that this was so and said they placed little weight on it themselves. The Board placed little weight on the Complainant's sales comparable #4, since it was 5.58 acres in comparison to the subject property at 0.82 acre. The Board placed most weight on the Complainant's sales comparables #3, #5 and #6, as these sales were close in size to the subject, and sales comparables #3 and #5 were located close to the subject. Sales comparable #6 was located a little further out from the subject property, but still considered by the Board to be reasonably comparable.

[21] Less weight was placed on the Respondent's sales comparables as sales comparables, #1, #2 and #6 (R-1, p. 15) were sales from 2008 or very early 2009, which the Board considered to be rather outdated sales. The Respondent's sales comparables #3, #4 and #5 were all located in NW Edmonton, as opposed to the subject property located in the NE zone. The Board finds, as argued by the Complainant, that the NW Edmonton industrial area is generally somewhat superior to the NE Edmonton industrial area, as indicated by the Avison Young, *The Industrial Report*, Summer 2012. The Board relied upon this market report only as an indicator of relative value.

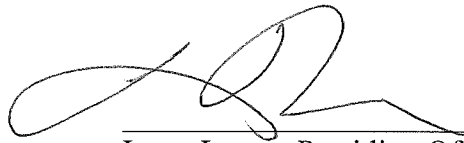
[22] The Board finds the Respondent's sales comparables all have better access to truck routes than does the subject property; and therefore are considered to be superior. The subject property, although located within the Yellowhead Corridor East (between the Yellowhead Trail to the south and a railway to the north) is only accessible from the Yellowhead Trail and this access is somewhat restricted. The Board considered the locations of the Respondent's sales comparables to be superior and thus have a greater value based on location.

[23] The Board placed little weight on the time-adjusted sales prices of the Complainant's sales comparables as calculated by the Respondent because the average price per acre is less than the average presented by the Complainant, that is \$327,604 versus \$333,791. The Board finds this evidence does not support the Respondent's argument that the Complainant did not properly analyze their sales comparables by not using time adjustments.

[24] After due consideration, the Board concluded that the best indicators of value were the Complainant's land sales comparables #3, #5 and #6. The Board agreed with the Respondent that the Complainant's land sales comparables should be time-adjusted as all sales used by the Respondent are when used in their analysis. The Respondent has provided the time-adjusted values per acre given as \$425,313, \$441,747 and \$441,081 respectively (R-1, p. 27). Based on these land values, the Board finds the per acre value for the subject property is \$440,000 or \$360,800 for the subject land; therefore, the assessment for the subject property should be reduced from \$484,500 to \$410,000 (rounded) for the land and improvements.

Heard commencing August 29, 2013.

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


Larry Loven, Presiding Officer

Appearances:

Stephen Cook
for the Complainant

Aaron Steblyk, Assessor
Melissa Zayac, 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.