

## **Edmonton Composite Assessment Review Board**

**Citation: Colliers International Realty Advisors Inc v The City of Edmonton, 2013 ECARB 01248**

**Assessment Roll Number:** 9540105  
**Municipal Address:** 4805 76 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

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### **DECISION OF**

**Larry Loven, Presiding Officer**

**James Wall, Board Member**

**Randy Townsend, Board Member**

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### **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, located in the Weir Industrial neighborhood within the South Industrial Group 18, is assessed as 0.829 acres zoned IM containing one 3,368 square foot medium industrial warehouse built in 1976 and two sheds built in 1956 and 1996.

### **Issue(s)**

[3] Is the subject property fairly and equitably assessed at \$1,017,500 or \$302.11 per square foot?

### **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 submitted a 22 page brief, Exhibit C-1 ("C-1"), containing property data, assessment and valuation, and a conclusion.

[6] The Complainant suggested that the Direct Comparison Approach is the relevant valuation technique for the subject property.

[7] The Complainant provided a table containing five sales comparables ranging in year of construction from 1992 to 2011, net leasable areas (NLA) from 4,000 to 12,460 square feet, and site coverage from 8% to 12% and time adjusted sales price per square foot from \$170.03 to \$266.05 (C-1, p. 9).

[8] The Complainant explained that the lack of low site coverage sales in the south east quadrant of the City made it necessary to consider the sales of comparable properties throughout the City.

[9] The Complainant's consideration of the year of construction, small building size, low site coverage and type of construction suggest that a unit value of \$225.00 per square foot is appropriate for a total property value of \$757,500.

### **Position of the Respondent**

[10] The Respondent submitted a 52 page brief, Exhibit R-1 ("R-1"), containing complainant issues, non-residential and land briefs, maps, pictures, a profile report, comparable sales, additional evidence, a conclusion and a law and legislation brief.

[11] The Respondent referred the Board to its 2013 Industrial Warehouse Assessment brief regarding mass appraisal involving the stratification of properties into groups of comparable properties (R-1. P. 14).

[12] The Respondent next referred the Board to factors affecting value, of the same brief (R-1, p.18), and stated main floor area per building is the most important factor in determining value.

[13] The Respondent referred the Board to photographs and maps of the subject property showing the location of the buildings and noting the two cost buildings (R-1, pp. 22-29).

[14] The Respondent provided a table containing four sales comparables ranging in site coverage from 6% to 12%, total main floor area from 3,359 to 6,750 square feet, and time adjusted sale price per square foot of total area from \$267.19 to \$345.18 (R-1, p. 31).

[15] The Respondent noted the Complainant's sales comparable #2 located at 1811 152<sup>nd</sup> Street was a non-arms length sale between related corporate entities, and the Complainant's sales comparables #1, 3 and 4 are located in Industrial Group 22 (known as the Winterburn Industrial Area).

### **Decision**

[16] It is the decision of the Board to confirm the 2013 assessment of the subject property at \$1,017,500.

### **Reasons for the Decision**

[17] The Board accepts the Respondent's testimony that the factors affecting value given in its 2013 Industrial Warehouse Assessment brief, listed in descending order of importance as: total main floor area (per building); site coverage (main floor area / lot size); effective age (per building); condition (per building) location of the property, main floor finished area, as well as upper finished area (per building) are realistic.

[18] The Board accepts the Respondent's notes that two cost buildings on the subject property are values constructed in 1957 and 1996, respectively are properly valued at \$16,741 and \$16,959 or 3.3% of the total assessed value, and removing the cost buildings reduces the value to \$292.10 per square foot.

[19] The Board further accepts that the subject property's low site coverage may not be typical; however, both parties were able to find sales comparables on which to rely.

[20] The Board finds there was little for it to rely upon regarding the effect of IM versus IB zoning on the value of the sales comparables given.

[21] The Board accepts the Complainant's argument that the Respondent's sales #3 and 4 from April 8, 2008 and February 27, 2009 are dated and may have occurred at the peak of the market; however, the Respondent raised no objection to the factors used to determine the time adjustments. The Board notes that these two sales located at 14605 123<sup>rd</sup> Avenue and 12719 156<sup>th</sup> Street, are both located in Industrial Group 17 in the northwest, are 17 and 9 years older than the subject property and having a time adjusted sale price per square foot of \$271.23 and \$267.10, all respectively, may require an upward adjustment as indicated by the Respondent.

[22] The Board notes that the Complainant's sales comparables #1, 3 and 4 are located in Industrial Area 22 (known as the Winterburn Industrial Area) have similar site coverage as the subject property, range in time adjusted sale price per square foot of total area from \$229.89 to \$266.05, and are all newer than the subject. Without servicing, (water and sewer), these sales comparables would require an upward adjustment.

[23] The Complainant's sales comparable located at 4050 69<sup>th</sup> Avenue in the same Industrial Group 18 as the subject property, considered by the Complainant to be the best sale at \$212.00

per square foot, has 12% site coverage and was built in 1999 compared to 9% and 1977 for the subject property. The Board notes the Respondent's analysis of this comparable increases the time adjusted sale price to \$226.20 per square foot and notes this sales comparable would require a downward adjustment.

[24] The Respondent's sale comparables at 6708 72<sup>nd</sup> Avenue and 4174 95<sup>th</sup> Street are located in the same quadrant of the City, built in 1992 and 1997 respectively, with 12% and 7% site coverage, are superior to the subject property in that they are both newer and have proportionally more main floor office than the subject property.

[25] The Board finds it difficult to rely, solely, upon the Complainant's best sales comparable located at 4050 69<sup>th</sup> Avenue priced at \$226.20 per square foot, even though the Respondent's analysis supports a downward adjustment of this sales comparable.

[26] The Board finds the Complainant's three remaining non-arms length properties ranging in value from \$230 to \$266 (rounded) per square foot, and requiring some upward adjustment due to inferior location and lack of servicing, together with two of the Respondent's sales comparables (also located in the industrial northwest) assessed at \$259 and \$270 per square foot main floor only, are counter balanced by the Respondent's sales comparables #1 and #2, located in the same Industrial Group as the subject property assessed at \$345 and \$402 per square foot, respectively.

[27] Based on its consideration of the above reasons, the Board finds the subject property to be fairly and equitably assessed at \$302.11 per square foot or \$1,017,500.

Heard commencing August 29, 2013.

Dated this 27<sup>th</sup> day of September, 2013, at the City of Edmonton, Alberta.

A handwritten signature in black ink, appearing to read 'Larry Loven', is written over a horizontal line.

Larry Loven, Presiding Officer

**Appearances:**

Stephen Cook  
for the Complainant

Marcia Barker  
Michael Johnson  
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.*