

## **Edmonton Composite Assessment Review Board**

**Citation: Colliers International Realty Advisors Inc v The City of Edmonton, 2013 ECARB 01265**

**Assessment Roll Number:** 4296653  
**Municipal Address:** 18604 106A 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**  
**Dean Sanduga, Presiding Officer**  
**Brian Frost, Board Member**  
**Robert Kallir, Board Member**

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### **Procedural Matters**

[1] Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to the file.

### **Preliminary Matters**

[2] There were no preliminary issues before the Board

### **Background**

[3] The subject property is a 391,432 square feet, two-building site located in the Poundmaker Industrial neighbourhood of west Edmonton. The first building, constructed in 1985, contains 20,614 square feet while the second building, constructed in 2005, contains 12,480 square feet. The property is zoned public utility (PU), with an effective zoning of IM. It has site coverage of 8.45%. The property is assessed using the direct sale comparison approach and the 2013 assessment is \$5,321,500.

### **Issue(s)**

[4] Is the assessment of the subject property for 2013 correct?

## **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 23-page brief (Exhibit C-1), which contained, an assessment summary; property data, including photographs of the buildings and aerial views of the subject. The Complainant requested a Market Value assessment, based on a PU zoning of the site, of \$3,934,000.

[6] The Complainant presented six sales comparable properties located in the North West quadrant of the City. The sizes ranged from 22,323 square feet to 41,349 square feet compared to the subject property's 33,095 square feet. The year of construction ranged from 1965 to 1981 compared to the subject property's year of construction being 1985 and 2005. The site coverage ranged from 31% to 50% while the subject's site coverage is 8.45%.

[7] The Complainant provided the Board with the City of Edmonton's Zoning Bylaw 12800 outlining the purposes and uses of Public Utility zoned lands (C-1, pages 19 and 20).

[8] The Complainant stated that the City's assessment of the subject property for 2013 showed a 6.7 % increase over the previous year. No reason for the increase in assessment between 2013 and 2012 was provided.

The Complainant stated, that his evidence suggested a valuation of \$3,934,000, based on the Direct Sales Approach. He added that, in the alternative, recognition should be given to the unique and atypical zoning of the subject property and the market value be reduced for its PU zoning.

[9] In conclusion, the Complainant stated that there is no justification for the 2013 assessment increase of 6.7% from the previous assessment year. The Complainant further advised the Board that the subject property being zoned PU is atypical and this affects its market value.

### **Position of the Respondent**

[10] The Respondent provided the Board with a 47 page brief (Exhibit R-1), arguing that the 2013 assessment of the subject property is fair and equitable.

[11] In support of the assessment, the Respondent provided four sale comparables (R-1, page 25). These sale comparables indicated low site coverages of 5-9%. The subject property's site coverage is reported at 5.2%. The comparable sales took place between May 2008 and December 2010 at a time-adjusted sales price range of \$222.08 per square foot to \$425.21 per square foot. The subject property is assessed at \$258.15 per square foot. The year of construction of the sale comparables ranged from 1976 to 2003, whereas the subject year of construction is 1985 and 2005.

[12] The Respondent indicated that sales # 1, 2 and 3 are single buildings and sale # 4 is a 2 building property. The Respondent advised that all sales used by the City are validated by the Assessment Department prior to their use as comparables (R-1 page 25).

[13] The Respondent informed the Board that of the two buildings which comprise the subject property, building one is the main distribution warehouse valued on the direct sales comparison approach and building two is a light commercial utility building valued on the cost approach. The values are combined to generate the total assessment.

[14] The Assessment Brief contained responses to the Complainant's sale comparables. In these responses, the Respondent questioned the comparability of the Complainant's sales regarding site coverage, year of construction and location, and claimed these comparables are dissimilar to the subject property.

[15] The Respondent informed the Board that the owner of the subject property uses the property as a warehouse and vehicle parking lot, and not for public utility purposes.

[16] The Respondent asked the Board to confirm the 2013 assessment at \$5,321,500.

### **Rebuttal by the Complainant**

[17] The Complainant presented the Board with a 13 -page rebuttal document (C-2), questioning the comparability of the Respondent's sales to the subject in terms of size, location, year of construction, site coverage and use (the comparability of the subject property to an office building). In particular, the Complainant noted that comparable number one is located on the Yellowhead Trail, comparable number two is located on 51<sup>st</sup> Avenue and comparable number 3 consists of two subdivided lots.

### **Decision**

[18] The assessment is reduced from \$5,321,500 to \$3,934,000.

### **Reasons for the Decision**

[19] The Board considered all of the evidence and submissions presented by both parties.

[20] The Board considered the Respondent sales comparables and noted that these sales are dissimilar to the subject in terms of age, location, lot size, building count, use and quality, and for this reason did not support the assessment.

[21] The Board finds the Complainant's six sale comparables with the adjustments described in C-1, page 10 projected a value of \$118.87 per sq. ft., realizing a value for the subject of \$3,934,000. While the Board acknowledges the lack of sales availability on properties that are similar to the subject in zoning and site coverage, the Board accepts that the Complainant's sales comparables with appropriate upward adjustment of 40% on site coverage and age are sufficiently persuasive to support the requested reduction of the assessment.

**Dissenting Opinion**

[22] There was no dissenting opinion.

Heard on September 5, 2013.

Dated this 25<sup>th</sup> day of September, 2013, at the City of Edmonton, Alberta.



Dean Sanduga, Presiding Officer

**Appearances:**

Stephen Cook  
for the Complainant

Joel Schmaus  
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.*