

Edmonton Composite Assessment Review Board

Citation: Colliers International Realty Advisors Inc v The City of Edmonton, 2013 ECARB 01266

Assessment Roll Number: 1523349
Municipal Address: 16504 117 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
Dean Sanduga, Presiding Officer
Brian Frost, Board Member
Robert Kallir, Board Member

Procedural Matters

[1] The parties stated that they had no objection to the composition of the Board. The Board members stated that they had no bias with respect to this complaint.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property is a medium warehouse constructed in 1977 and located in the Norwester Industrial neighbourhood of North West Edmonton. There are three buildings on the site, Building 1 is 54,509 square feet, of which 7,282 square feet is main floor office space. Building 2 is 48,468 square feet, with 9,836 square feet of main floor office. Building 3 is 24,564 square feet in size, of which 1,287 square feet is finished mezzanine space. The lot size is 314,521 square feet with site coverage of 40%. For the 2013 assessment, the subject has been valued by the direct sales approach resulting in a value of \$11,174,500 or \$87.61 per square foot.

Issue

[4] Is the 2013 assessment of the subject property too high?

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 provided a 14 -page brief, (Exhibit C-1), and an eight page Rebuttal, (Exhibit C-2), arguing that the 2013 assessment of the subject property at \$11,174,500 or \$87.61 per square foot is too high. The Complainant stated that sales of similar properties indicated that a market value of \$80.00 per square foot should be applied to the subject (Exhibit C-1, page 5).

[7] In support of its position, the Complainant submitted three sales comparables of similar properties located in northwest Edmonton. The sales occurred between March 2011 and November 2011 with prices ranging from \$63.64 to \$87.09 per square foot. The comparable properties ranged in size from 84,854 to 137,062 square feet and were zoned IM and IB. The year of construction of the comparables ranged from 1976 to 1978 and the site coverage ranged from 38% to 65% (Exhibit C-1, page 5). The average value of these three sales comparables is \$76.93 per square foot.

[8] The Complainant stated that his three sales comparables are current. All occurred in 2011. They were similar to the subject property in year of construction, size, zoning and site coverage. The average of the time adjusted sale price of comparables is \$77.00, however in consideration of the subject property's lower site coverage, an upward adjustment is necessary.

[9] The Complainant submitted for the Board's consideration three equity comparables which are the same properties as the sales comparables. The Complainant stated that the current assessments of the comparables are slightly lower than the sale price submitted on C-1 page 5. As a result the Complainant advised that based on the equity, the assessment should be reduced to \$10,203,000.

[10] The Complainant submitted an eight page rebuttal document challenging the appropriateness of the Respondent's sales comparables. The Complainant raised concerns about the assessment to sales ratio (ASR) and the Respondent's single building size comparables, (whereas the subject is a multi building complex). The Complainant stated that all of the Respondent's sales comparables are superior to the subject in that they are significantly smaller

than the subject, as they range in single building size from 32,248 to 44,651 square feet compared to the subject at 127,541 square feet (Exhibit C-2, page 4).

[11] In conclusion, the Complainant requested that the Board reduce the 2013 assessment of the subject property from \$11,174,500 to \$10,203,000 based on \$80.00 per square foot.

Position of the Respondent

[12] The Respondent submitted a 57 -page brief, (Exhibit R-1), arguing that the 2013 assessment of the subject property, at \$11,174,500, is fair and equitable.

[13] In support of its position the Respondent submitted five sales comparables, all located in North West Edmonton. Sales comparables 1 to 4 were single building properties while sale comparable # 5 was a two-building property. The sales occurred between January 4, 2008 and November 2, 2011, for time-adjusted prices ranging from \$84.52 to \$106.47 per square foot. The Comparables ranged in size from 32,248 to 112,594 square feet. The site coverage of the subject is 40% and the comparables range from 34% to 53% (Exhibit R-1, page 27).

[14] The Respondent submitted five equity comparables (Exhibit R-1 page 39), all located in North West Edmonton. The effective year built ranges from 1975 to 2007. Equity assessments range from \$79.55 to \$105.76 per square foot and the subject is assessed at \$85.17 per square foot.

[15] In conclusion, the Respondent requested that the Board confirm the 2013 assessment of the subject property at \$11,174,500 being \$85.17 per square foot.

Decision

[16] The decision of the Board is to reduce the 2013 assessment from \$11,174,500 to \$10,203,000 or \$80.00 per square foot.

Reasons for the Decision

[17] Although the Board acknowledges that the Respondent provided sales comparables that were all located in the North West quadrant of the city , the Board places less weight on the Respondent's sales comparables # 1,2 ,3 and 4 because they are smaller single buildings whereas the subject is a larger multi building property.

[18] The Board accepts the Complainant position that all of the Respondent sales comparables are superior to the subject in that they are significantly smaller than the subject property, as the range in single building size from 32,248 to 44,651 square feet compared to the subject at 127,541 square feet.

[19] The Board places less weight on the Respondent's sales comparables because of the lot size ranging from 60,289 to 128,937 square feet while the subject lot size is 314,429 square feet.

[20] The Board places more weight on the Respondent's # 5 sale because it is similar to the subject in size, site coverage, location and multi building count and assessed at \$84.52 per square foot.

[21] The Board accepts the Complainant's sales comparables and site coverage upward adjustment which will bring the sales assessment value in line with the requested market value reduction to the \$80. 00 per square foot range.

[22] The Board places more weight on the Complainant's equity comparables 1 and 2 as they are similar to the subject property in age, size and site coverage. The Board places no weight on equity comparable # 3 because the site coverage and lot size are too dissimilar to the subject.


[22] Finally, the Board is persuaded by the Complainant in the Rebuttal Document, wherein the Complainant raised concerns with the Respondent's sales comparables' Assessment to Sale Ratio (ASR). The Complainant in the Rebuttal also stated the City sales comparables are superior to the subject and significantly smaller than the subject property as they range in size from 32,248 to 44,651 square feet compared to the subject at 127,541 square foot and were therefore too dissimilar to provide support to the assessment of the subject property. .

Dissenting Opinion

[23] There was no dissenting opinion.

Heard on September 4, 2013.

Dated this 25th 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.