

Edmonton Composite Assessment Review Board

Citation: Colliers International Realty Advisors Inc v The City of Edmonton, 2013 ECARB 01268

Assessment Roll Number: 9943397
Municipal Address: 11751 181 STREET 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

Preliminary Matters

[1] Upon questioning by the Presiding Officer, the parties did not object to the composition of the Board. The Board members stated they had no bias with regard to this file.

Background

[2] The subject property is a warehouse situated in the northwest sector of the City at 11751 – 181 Street NW. It consists of 35,324 square feet and is in average condition. The effective year built is 1999. The lot size is 130,809 square feet and site coverage is 23%. The 2013 assessment is \$4,641,000.

Issue

[3] Is the assessment of the subject property too high in relation to market value?

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] It is the Complainant's position that the assessment is in excess of market value and that it should be reduced to \$4,259,000. In support, a 21 page brief, (Exhibit C-1) was provided to the Board.

[6] The Complainant stated the assessment of the subject property has increased from \$4,148,000 in 2011 to \$4,382,000 in 2012, to the current assessment of \$4,641,000, increases of 5.6% and 5.9% respectively, (Exhibit C-1, pg 2). It is the Complainant's contention that this is in excess of acknowledged time adjustment factors and is without reason.

[7] The Complainant stated that an assessment of \$4,259,000, or \$120.57 per sq ft, is more appropriate. In support of this contention, sales of six similar properties were provided, (Exhibit C-1, pg 8). The comparable properties ranged in age from 1965 to 1981; size from 22,323sq ft to 41,349 sq ft and site coverage from 33% to 50%. They sold between October 2010 and April 2011 and ranged in time adjusted price per sq ft, from \$63.95 to \$104.29 per sq ft and averaged \$84.91 per sq ft.

[8] The Complainant stated that as a result of market analysis by Colliers International staff, it was determined that a 10% difference in site coverage is approximately equal to 10 % in unit value (the 40% average less the subject's 23% or 17% in this case). The Complainant as well acknowledged that an upward adjustment, estimated to be 25%, is appropriate to account for the age difference between the subject (1997) and the average (1972) of the comparable sales. The Complainant concluded that a 42% upward adjustment of the average time adjusted sale price of the comparable sales at \$84.91 per square foot would result in a correct market value of \$120.57 per square foot, or \$4,259,000, for the subject, (Exhibit C-1, pg 8).

[9] The Complainant asked that the Board reduce the 2013 assessment to \$4,259,000, or \$120.57 per sq ft.

Position of the Respondent

[10] It is the Respondent's position that the 2013 assessment is correct and should be confirmed at \$4,641,000. In support, a 43 page brief was presented, (Exhibit R-1).

[11] The Respondent stated that each year's assessment is independent of previous years' assessments.

[12] The Respondent presented sales comparable charts for 5 sales as well as a reconstitution of the Complainant's sale comparables in order to show comparability in a consistent manner, (Exhibit R-1, pg 21). The Respondent's sale comparables ranged in age from 1981 to 2007; building size from 18,137 square feet to 39,663 square feet and site coverage from 19 % to 29%. They sold between March 2009 and March 2010 and ranged in time adjusted price per sq ft, from \$130.87 to \$195.13 per sq ft, in support of the subject assessment of 131.38 per sq ft.

[13] The comparables had similar site coverage and similar lot and building size as the subject property.

[14] There had been no sale of the subject property during the preceding four years.

[15] The Respondent asked that the Board confirm the 2013 assessment of \$4,641,000.

Decision

[16] The Board's decision is to confirm the 2013 assessment of \$4,641,000.

Reasons for the Decision

[17] The Board was not persuaded by the Complainant's argument that this year's assessment reflected a 5.9% increase over the 2012 assessment which, because it was in excess of the City's time adjustment factor, is deemed excessive. The Board was satisfied with the Respondent's argument that each year's assessment is independent of the previous year's assessment.

[18] The Board considered the Complainant's evidence as it related to market value. The Board noted that none of the Complainant's comparable sales were similar to the subject property in age, being between 19 and 33 years older than the subject property, and site coverage, being between 31 and 50%, versus the subject's 23%.

[19] The Board was not satisfied with the correctness of the Complainant's adjustments given the difference in the age and site coverage and the lack of evidence relating to the data from which the adjustments were derived. The Board acknowledges that the onus is on the Complainant to prove the assessment incorrect. The Board concluded that the Complainant's evidence was not sufficiently compelling to alter the 2013 assessment.

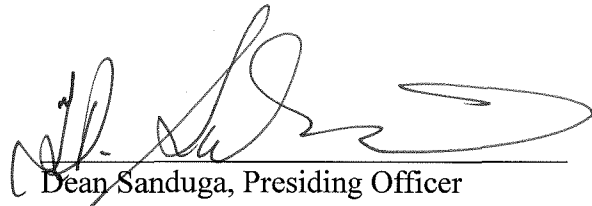
[20] The Board was further persuaded by the sales evidence put forth by the Respondent and is satisfied that the Respondent's evidence supports the 2013 assessment. The Respondent's sale comparables ranged in age from 1981 to 2007 as compared to the subject's 1999; building size from 18,137 to 39,663 sq ft as compared to the subject's 35,324 sq ft and site coverage from 19 % to 29% as compared to the subject's 23%. The comparable sales ranged, in time adjusted price per sq ft, from \$130.87 to \$195.13 per sq ft in support of the subject's assessment of 131.38 per sq ft.

Dissenting Opinion

[21] 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.