

Edmonton Composite Assessment Review Board

Citation: Colliers International Realty Advisors Inc v The City of Edmonton, 2013 ECARB 01269

Assessment Roll Number: 10249217
Municipal Address: 16206 114 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 indicated that they had no objection to the composition of the Board. The Board members indicated that they had no bias with respect to this complaint.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property is an industrial warehouse comprising three buildings constructed respectively in 1978, 1978 and 1983 and located in the Alberta Park Industrial neighbourhood of North West Edmonton. Building 1 comprises 31,521 square feet, of which 10,776 square feet is main floor office space and 2,980 is finished mezzanine. Building 2 comprises 80,193 square feet, of which 10,280 square feet is main floor office space and 10,280 is finished mezzanine. Building 3 comprises 25,863 square feet, of which 12,932 square feet is main floor office space and 12,932 is finished mezzanine. The lot size is 230,505 square feet with site coverage of 48%. For the 2013 assessment, the subject has been valued by the direct sales approach resulting in a value of \$10,352,500 or \$75.25 per square foot.

Issue(s)

[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 fifteen page brief, (Exhibit C-1), and an eight page Rebuttal, (Exhibit C-2), arguing that the 2013 assessment of the subject property at \$10,352,500 or \$75.25 per square foot was too high. The Complainant stated that a fair market value of \$70.00 per square foot should be applied to the subject, (Exhibit C-1, page 7).

[7] The Complainant stated the assessment of the subject property has increased from \$8,544,000 in 2011 to \$9,402,000 in 2012 then to the current 2013 assessment of \$10,352,500, increases of 10.00% and 10.1% respectively, (Exhibit C-1, page 3). It is the Complainant's contention that this is in excess of acknowledged time adjustment factors and was without justification.

[8] In support of his request for a reduced assessment, the Complainant submitted three sale comparables of similar properties located in Northwest Edmonton. The sales occurred between March 2011 and November 2011 with prices ranging from \$63.64 per square foot to \$87.09 per square foot. The comparable properties ranged in size from 84,854 square feet 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%. The average value of these three sale comparables was \$76.93 per square foot (Exhibit C-1, page 6).

[9] The Complainant submitted a rebuttal document challenging the appropriateness of the Respondent's sale comparables (Exhibit R-1 page 37). The Complainant raised concerns about the Respondent's comparables as they were single and two building comparables and the subject is a multi building (three) complex. The Complainant also stated that two of the Respondent's sale comparables containing two buildings are in total significantly smaller in net leasable area than the subject property.

[10] The Complainant stated that his three sale comparables were current and all occurred in 2011. They are similar to the subject property in year of construction and zoning. Two of the comparables have similar site coverage to the subject property.

[11] The Complainant submitted three equity comparables which are the same properties as the sale comparables plus one additional comparable and stated that when examining the current assessment of the sale comparables, it showed the assessed values are slightly lower than the time adjusted sale price of two of the said properties. Further, the additional property which is smaller than the subject property has a somewhat lower assessment (Exhibit C-1 page 7). The sale comparables had assessments ranging from \$64.74 per square foot to \$79.41 per square foot. They ranged in size from 57,490 square feet to 137,062 square feet and were zoned IM and IB. The year of construction of the comparables ranged from 1973 to 1978 and the site coverage ranged from 38% to 65%. As a result the Complainant advised that on the basis of the equity approach the market value supported an assessment reduction to \$9,490,000.

[12] In conclusion, the Complainant requested that the Board reduce the 2013 assessment of the subject property from \$10,352,500 to \$9,490,000 based on \$70.00 per square foot.

Position of the Respondent

[13] The Respondent submitted a 62 page brief, (Exhibit R-1), arguing that the 2013 assessment of the subject property, at \$10,352,500, is fair and equitable.

[14] The Respondent's stated that each year's assessment is independent of the previous year's assessment.

[15] In support the Respondent submitted three sale comparables, all located in North West Edmonton. Sale comparable numbers 1 and 2 are two building properties while sale comparable number 3 is a one-building property. The sales occurred between March 28, 2011 and May 6, 2011, for time-adjusted prices ranging from \$80.95 per square foot to \$88.05 per square foot. The Comparables ranged in size from 112,594 per square foot to 135,566 square feet. The site coverage of the subject is 48% and the comparables range from 37% to 46% (Exhibit R-1, page 37).

[16] The Respondent submitted five equity comparables (Exhibit R-1 page 41), all located in North West Edmonton. The effective year built ranges from 1974 to 1978. Equity assessments range from \$73.73 per square foot to \$83.50 per square foot and the subject is assessed at \$75.25 per square foot. All of these comparables are smaller in building size than the subject property

[17] The Respondent stated that the Complainant's comparable sales are dissimilar to the subject property in that none are three building properties; one of the comparables is a one building property; another is a two building property while another is a property with one very small second building. The subject property is a three building property with one of the buildings being utilized solely as an office building.

[18] In conclusion, the Respondent requested that the Board confirm the 2013 assessment of the subject property at \$10,352,500

Decision

[19] The decision of the Board is to confirm the 2013 assessment of \$10,352,500 or \$75.25 per square foot.

Reasons for the Decision

[20] The Board was not persuaded by the Complainant's argument that this year's assessment reflected an excessive increase over the 2012 assessment. The Board was satisfied with the Respondent's argument that each year's assessment is independent of the previous year's assessment.

[21] The Board considered the Complainant's evidence as it related to market value. The Board noted that the Complainant's comparable sales are dissimilar to the subject property in that none were three building properties; one is a one building property, another is a two building property and another is a property with one very small second building. The subject property is a three building property with one of the buildings being utilized solely as an office building.

[22] The Board was persuaded by the sales and equity evidence put forth by the Respondent and was satisfied that the Respondent's evidence supports the 2013 assessment. The Respondent's multi building sale comparable (Exhibit R-1 page 36) is a very similar property to the subject property with only some adjustment necessary to take into account the office component and site coverage differences. The Respondent's equity comparables (Exhibit R-1 page 41) were useful and helpful in determining the fairness and equity of the assessment of the subject property.

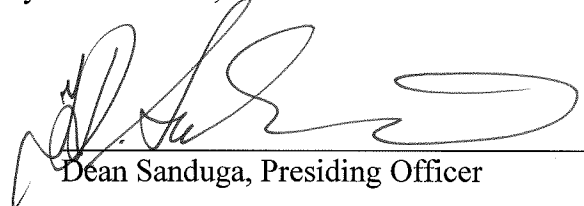
[23] The Board notes that the onus is on the Complainant to prove the assessment is incorrect. The Board concluded that the Complainant's evidence was not sufficiently compelling to alter the 2013 assessment.

Dissenting Opinion

[24] 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.