

Edmonton Composite Assessment Review Board

**Citation: Colliers International Realty Advisors Inc. v The City of Edmonton, 2013
ECARB 01540**

Assessment Roll Number: 8991101
Municipal Address: 9115 39 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
Lynn Patrick, Presiding Officer
Brian Frost, Board Member
Brian Carbol, 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 three building commercial property consisting of a 35,958 sq ft office warehouse, built in 1980, a 6,001 sq ft auto service centre built in 1994 and a retail building built in 2001. It has been assessed using the Direct Sales Comparison approach to Value. The property is rated as average condition. The subject improvements are situated at 915-39 Ave NW in Strathcona Industrial Park.

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 \$7,037,500. In support, a 41 page brief (Exhibit C-1) and Rebuttal, (Exhibit C-2) were provided.

[6] The Complainant stated the 2012 assessment was reduced as a consequence of negotiation with the assessors last year and that a similar argument was unsuccessful this year. It was the Complainant's opinion that the hearing should not be necessary given the result of last year's negotiations.

[7] The Complainant stated the property consisted of three distinct buildings which would best be valued independently in order to best reflect the market value of the property as a whole.

[8] Building 1: In support of its position the Complainant provided five comparable sales of similar buildings built between 1974 and 2001 that sold for time adjusted sale prices of between \$85.42 and \$120.75 per sq ft. The sizes ranged between 38,373 sq ft and 44,994 sq ft. The site coverage ranged from 28 to 48%. The Complainant suggested that after adjustment \$130 per sq ft was appropriate for Building 1, (Exhibit C-1, page 12).

[9] Building 2: The Complainant provided five comparable sales of similar buildings built between 1969 and 1979 that sold for time adjusted sale prices of between \$85.35 and 128.51 per sq ft. The sizes ranged between 10,000 sq ft and 15,972 sq ft. The site coverage ranged from 23% to 45%. The Complainant suggested that after adjustment \$140 per sq ft was appropriate for Building 2, (Exhibit C-1, page 13).

[10] Building 3: The Complainant provided the same five comparable sales provided for Building 2 and suggested that after adjustment \$160 per sq ft was appropriate for Building 3, (Exhibit C-1, page 13).

[11] The Complainant provided a further three comparable sales of multi building developments similar to the subject that reflected time adjusted sale prices ranging between \$66.79 per sq ft and 90.10 per sq ft. They varied in age from 1952/74 to 1978, in size from 76,372 to 115,318 and in site coverage from 38% to 65%, (Exhibit C-1, page 14)

[12] The Complainant concluded that on the basis of the independent market values for each of the three buildings, the market value for the subject property should be the sum of the three, or \$7,037,500, (\$136.71 per sq ft). The Complainant stated that this was somewhat supported by its three multi building sales which averaged \$78.97 per sq ft.

[13] In rebuttal, the Complainant explained that there was a sale/lease back of the Respondent's sale 5 for Building 1 which placed into question its validity as a sale (Exhibit C-2, page 7).

Position of the Respondent

[14] It is the Respondent's position that the assessment is correct and that it should be confirmed at \$8,102,500. In support, a 98 page brief was presented, (Exhibit R-1).

[15] The Respondent presented a list of three comparable multi building sales of properties similar to the subject property. They ranged in time adjusted sale price from \$152 to \$179 per sq ft, in buildings size from 25,251 to 40,427 and in site coverage from 19% to 30%. (Exhibit R-1, page 33)

[16] The Respondent presented comparables for each of the buildings on the site, (Exhibit R-1, page 47). The Building 1 sales indicated a time adjusted sale price range of \$131 to \$168; the Building 2 sales indicated a time adjusted sale price of from \$150 to \$300 per sq ft; and the Building 3 sales indicated a time adjusted sale price range of \$193 to \$300 per sq ft, all in support of the assessment of \$157.40 per sq ft.

[17] The Respondent critiqued the Complainant's comparable sales (Exhibit R-1, page 45) and addressed areas where adjustments would be appropriate in order to adjust to the subject property. The Respondent pointed out that an excess of adjustments pointed to an inadequacy of comparable sales and color coded those adjustments. The Respondent stated it was apparent that the Complainant's comparable sales were not an appropriate indication of the market value of the subject property, particularly when compared to the subject property's 22% site coverage where the amount of land within the subject property could create a significant increase in value.

Decision

[18] The Board's decision is to confirm the 2013 assessment of \$8,102,500.

Reasons for the Decision

[19] The Board was not persuaded by the Complainant's argument that last year's assessment was reduced so this year's should be as well. The Board was satisfied with the Respondent's argument that each year's assessment is independent of the previous year's assessment.

[20] The Board considered the Complainant's evidence as it related to market value. The Board was not satisfied that the correlation of the market evidence sufficiently addressed the quality of the subject property or the site coverage. The Board noted there was no foundation to either the amount or the rationale for the Complainant's choice of an appropriate value per sq ft for any of the three buildings on the site. The Board was cognizant of the Complainant's own admission that the comparables for the multi building properties were not the best indicators and they were well off the assessment being requested for the subject property. The Board noted the comparables for the single buildings were also well off the assessment being requested for each of the buildings on the site. The Board acknowledges that the onus is on the Complainant to prove the Respondent incorrect in its assessment and the Board concluded that the Complainant's evidence was not sufficiently compelling to cause the Board to reduce the assessment.

[21] The Board was further persuaded by the sales evidence put forth by the Respondent and is satisfied that the Respondent's evidence supports the assessment.

Dissenting Opinion

[22] There was no dissenting opinion.

Heard commencing August 22, 2013.

Dated this 20th day of September, 2013, at the City of Edmonton, Alberta.



Lynn Patrick, Presiding Officer

Appearances:

Stephen Cook, Colliers International
for the Complainant

Joel Schmaus
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.