

## **Edmonton Composite Assessment Review Board**

**Citation: Colliers International Realty Advisors Inc. v The City of Edmonton, 2013  
ECARB 01543**

**Assessment Roll Number:** 10098893  
**Municipal Address:** 3710 69 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**  
**Lynn Patrick, Presiding Officer**  
**Brian Carbol, Board Member**  
**Brian Frost, Board Member**

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### **Procedural Matters**

[1] Upon questioning by the Presiding Officer, the parties indicated that they had no objection to the composition of the Board. In addition, the Board members each indicated that they had no bias in respect to this matter.

### **Preliminary Matters**

[2] There were no preliminary matters raised by the parties.

### **Background**

[3] The subject property is single building property containing a 7,998.7 square foot warehouse located upon a 3.06 acre site, the site coverage being 6%. The subject is located at 3710 – 69 Ave. NW in the Pylypow industrial area of the south east quadrant of the City. The effective age of the subject is 1993 and the condition is average. The assessment approach used is direct sales comparison resulting in an assessment of \$2,665,000 or \$333.34 per square foot.

### **Issue**

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

## **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 submits that the assessment of the subject exceeds the market value of the property and provided five direct sales comparables in support of the submission as set forth in Exhibit C-1. Although three of the five comparables are in neighborhood group 22, which is the Winterburn industrial subdivision, and are not provided with services from the City of Edmonton, all exhibit lower site coverages which is a significant factor of similarity. In addition all except number 1 exhibit small main floor areas, which is also a significant similarity.

[7] The Complainant further submits that the comparables are in the age range of the subject from 1992 to 2011, are of similar construction and are recent sales being from 2011 and 2012.

[8] The Complainant also submitted a Rebuttal being Exhibit C-2 which contained subject photographs and maps showing locations of the Respondent's four comparables. The Rebuttal provided commentary on the older sale dates of the Respondent's comparables with the exception of sale number 1. Sales numbered 1 and 2 have IB zoning and in that respect lacks similarity. The Complainant requests a reduction of the assessment to \$1,959,500 or \$245.00 per square foot which is supported by the average time adjusted sale price of the five comparables in its submission at page 9 of Exhibit C-1 of \$223.86.

## **Position of the Respondent**

[9] The Respondent submitted a fifty-eight page brief (Exhibit R-1), in support of its assessment. The Respondent drew attention to the mass appraisal portion of the brief noting that, main floor area, site coverage, age, condition, location and finish, are the factors affecting market value.

[10] In support of the assessment the Respondent provided four sales comparables, all being single building properties, three of which are in the southeast quadrant of the City and the fourth being in the northwest. The main floor area of the comparables range from 3,882 to 10,220 square feet compared to the subject which is 7,999.7 square feet. The site coverage of the

comparables range from 5% to 12% compared to the subject site coverage of 6%. The effective age of the comparables ranges from 1992 to 1999 compared to the subject which is 1993. The condition of the comparables and the subject is average. The Respondent notes that the location of one of its comparables is out of the south east area where the subject is located, however its age, site coverage and condition are similarities that make up for the location factor dissimilarity. The site coverage and size factors of the comparables are submitted by the Respondent to be the most significant factors and in that respect are superior to the Complainant's comparables. The chart of comparables at page 29 in Exhibit R-1 also contains examples prepared by the Respondent of the effect of variations in the site coverage factor. This exercise indicates that a 2% difference in site coverage can mean a difference of \$400,000 in value which means the impact produces an increase in the per square foot value as the site coverage declines.

[11] The Respondent commented upon the Complainant's comparables noting that three of them, being numbers 1, 3 and 4 are in the unserviced Winterburn area which makes the location factor more significant than it ordinarily would be and renders those properties as inferior. In addition the site coverage of each of the three is higher than the subject and the sizes of those comparables are in two cases much smaller and in the other case much higher than the subject. In respect to comparable number 3 the sale date and price in the Respondent's chart of the Complainant's comparables is in error and that commentary is withdrawn by the Respondent. It is noted by the Respondent that the Complainant's comparable number 2 at 11811-152 Street is not at arms length as verified by one of the parties at page 35 of Exhibit R-1. The Respondent notes that the remaining sale in the Complainant's comparables, though located in same area as the subject, is distinguished by the fact that its site coverage is double that of the subject. Additionally the Respondent notes that one sale is not considered indicative of a market and thus the Complainant has failed to satisfy the onus of bringing the assessment into question.

### **Decision**

[12] The assessment is confirmed at \$2,665,000.

### **Reasons for the Decision**

[13] The Board finds that the reliance of the Complainant on a majority of its comparables located in Winterburn combined with one comparable that is an invalid sale because it is not at arms length leaves the Complainant in the position of having insufficient evidence upon which to grant any reduction in the assessment. The remaining comparable of the Complainant is considered by the Board of lesser weight because of the site coverage being considerably greater than that of the subject. The Board also accepts the argument of the Respondent that one sale is not indicative of the market value.


[14] The Board finds that the sales comparables of the Respondent are better comparables than those of the Complainant largely because they are closer in site coverage than those of the Complainant. The similarity of the site coverages gives greater weight to the Respondent's comparables and the Board finds they support the assessment.

**Dissenting Opinion**

[15] There is no dissenting opinion.

Heard commencing August 22, 2013.

Dated this 20<sup>th</sup> day of September, 2013, at the City of Edmonton, Alberta.

  
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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.*