

## **Edmonton Composite Assessment Review Board**

**Citation: Colliers International Realty Advisors Inc v The City of Edmonton, 2013 ECARB 01551**

**Assessment Roll Number:** 1106061

**Municipal Address:** 15305 128 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**

**Petra Hagemann, Presiding Officer**

**Brian Frost, Board Member**

**Lillian Lundgren, Board Member**

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### **Procedural Matters**

[1] When asked by the Presiding Officer, the parties did not object to the composition of the Board. The Board Members indicated there was no bias in the matter before them.

### **Preliminary Matters**

[2] During the hearing, the Complainant raised an objection to the Respondent's surrebuttal evidence because it addressed matters, such as sales, that were not in the Complainant's rebuttal evidence (Exhibit C-2). The Respondent agreed to remove the pages that the Complainant was concerned with. The Board accepted three pages of surrebuttal evidence from the Respondent (Exhibit R-2) that related directly to the rebuttal evidence of the Complainant.

### **Background**

[3] The subject property is a large warehouse located at 15305 128 Avenue NW in the Mistatim Industrial neighborhood. The building has an effective year built of 1977. It comprises a main floor area of 173,693 square feet (sf) and mezzanine area of 10,798sf for a total area of 184,491sf. The lot size is 546,157sf with site coverage of 32%. The assessment is \$12,363,000.

## **Issues**

[4] Is the subject property assessment correct?

a. Is the subject property equitably assessed with similar properties?

## **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 filed this complaint on the basis that the subject property assessment of \$12,363,000 is incorrect, and further, the subject property is inequitably assessed with similar industrial properties.

[7] The Complainant explained that the subject property is a very large warehouse located in the northwest quadrant of the city and there are few sales of similar properties. It was constructed in 1977 and has 178,143sf of net leasable area with 32% site coverage.

[8] The Complainant selected three industrial properties that sold between January 1, and July 1, 2012 (Exhibit C-1 page 6). The comparables have an average year of construction of 1972, an average net leasable area of 71,781sf and average site coverage of 56%.

[9] The average sale price of the comparables is \$66.98/sf. The Complainant noted that within the context of these recent sales for industrial buildings, the subject assessment of \$67.01/sf appears reasonable, but it should be lower because the subject building is larger than the comparables.

[10] The Complainant submitted that the assessments for the three sale comparables also show that the subject property is inequitably assessed. The comparables have an average assessment of \$67.28/sf compared with the subject assessment of \$67.01/sf.

[11] The Complainant argued that although the comparables have similar per square foot values to the subject assessment, the comparables are smaller than the subject and should sell for more per square foot than the subject property given the economies of scale. The Complainant determined that the subject property should be valued at a lower rate per square foot than the comparables and a reasonable rate is \$60.00 per square foot.

### **Rebuttal**

[12] In rebuttal to the Respondent's sale comparables, the Complainant stated that three of the comparables are significantly smaller in size and would require downward adjustments. The Respondent's comparable located at 3850 98 Street is located in the southeast quadrant of the city and is almost twice the size of the subject. This sale comparable is comprised of two parcels.

[13] Finally, the comparable at 16411 118 Avenue NW is part of a four property portfolio sale and no breakdown is available.

[14] In summary, the Complainant requested the Board to reduce the assessment to \$10,688,500 based on \$60.00/sf.

### **Position of the Respondent**

[15] The Respondent argued that the subject property assessment of \$12,363,000 is correct. In support of this position, the Respondent presented five sale comparables that have time adjusted sale prices ranging from \$67/sf to \$88/sf compared with the subject assessment of \$67.01/sf (Exhibit R-1 page 21). The comparables are similar in age, lot size, building size and site coverage. Four of the five comparables are located in the same neighborhood.

[16] The Respondent also argued that the subject property is equitably assessed with similar properties. The Respondent presented six assessment comparables that have assessments ranging from \$60/sf to \$76/sf which supports the subject assessment of \$67.01/sf. The equity comparables are located in the same neighborhood as the subject property and are similar to the subject in age, lot size, site coverage and building area.

[17] The Respondent provided the following comments on the Complainant's three sale/assessment comparables. The Respondent stated that the Complainant's comparables are not similar to the subject property in terms of lot size, site coverage or building size. The comparables have lot sizes that are approximately 20% of the subject lot size, and building areas that are approximately 40% of the subject building size. In addition, the Complainant's comparable #1 located at 14345 123 Avenue was purchased at a discounted price because the property required major roof repairs estimated at a cost of \$850,000. An appraisal for financing purposes valued the property at \$4.8 million.

### **Surrebuttal**

[18] The Respondent agreed with the Complainant that the Respondent's sale comparable at 3850 98 Street is comprised of two parcels; however, the Respondent stated one of the parcels is vacant land.

[19] With respect to the Respondent's sale comparable located at 16411 118 Avenue, the sales data sheet published by The Network combines the price for both transfers. When the City validated the sale, it determined that three properties were purchased for \$14,150,000 and the property at 9503 42 Avenue was purchased for \$7,100,000.

[20] In summary, the Respondent requested the Board to confirm the assessment at \$12,363,000.

### **Decision**

[21] The property assessment is confirmed at \$12,363,000.

### **Reasons for the Decision**

[22] In determining this matter, the Board reviewed the Complainant's evidence and argument and finds that the Complainant failed to establish that the subject property assessment is incorrect or inequitable.

[23] The Board agrees with the Complainant that larger buildings transact for a lower value per square foot than smaller buildings, all things equal. However, the Complainant failed to support his contention that the subject property would sell for 10% less than it is assessed owing to its size. There is no market evidence to support the Complainant's request for an assessment of \$60.00 per square foot for the subject property.

[24] The Board also reviewed the Respondent's evidence and argument and finds that the three sale comparables located at 17915 118 Avenue, 16304 117 Avenue and 14604 134 Avenue are similar to the subject property in terms of age, lot size, site coverage and building size. They are assessed at \$88/sf, \$85/sf and \$77/sf which supports the subject assessment of \$67/sf.

[25] The Board agrees with the Complainant's criticism of the Respondent's sale comparables at 3850 98 Street and 16411 118 Avenue, and placed no weight on these two comparables.

[26] The Board finds that the Respondent's equity comparables are similar to the subject property and the assessments of these comparables also support the subject assessment.

[27] For these reasons, the assessment is confirmed.

Heard September 9, 2013.

Dated this 13<sup>th</sup> day of September, 2013, at the City of Edmonton, Alberta.

  
Petra Hagemann, Presiding Officer

**Appearances:**

Stephen Cook  
for the Complainant

Luis Delgado, Assessor  
Scott Hyde, Assessor  
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.*