

Edmonton Composite Assessment Review Board

Citation: John C. Manning v The City of Edmonton, 2013 ECARB 01722

Assessment Roll Number: 1075308

Municipal Address: 9324 49 Street NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

John Manning

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Larry Loven, Presiding Officer

Darryl Menzak, Board Member

Jasbeer Singh, Board Member

Procedural Matters

[1] The parties indicated they had no objection to the composition of the Board. In addition, the Board members indicated they had no bias on this file.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property is comprised of two identical multi-tenant office/warehouse buildings located on an interior lot in Eastgate Business Park in south Edmonton. The buildings are in average condition, have an effective year built of 1977, a total building size of 76,448 square feet with 20,194 square feet of finished office space on the main floor and 15,130 square feet of finished office space on the mezzanine level. The site coverage for the property is 43% and its 2013 assessment, based on the income approach, is \$7,183,500.

Issue(s)

[4] Is the 2013 assessment of \$7,183,500 for the subject property correct?

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 presented evidence, Exhibit C-1(“C-1”), and argument for the Board’s consideration and review. The Complainant took the position that the subject property is assessed too high when compared to the sales of other similar properties.

[7] The Complainant submitted eight sales comparables for the Board’s consideration (C-1, p. 2). All of the comparables were from the south side and ranged in age from 1961/1975 to 1979. Most of the sales comparables were single building properties, with two sales comparables having 2 buildings, and one having 4 buildings. The sales comparables ranged in total building size from 38,373 square feet to 97,743 square feet. The site coverage ranged from 25% to 44% and the per square foot Time Adjusted Sale Prices (TASP) ranged from \$78.75 to \$113.47.

[8] The Complainant submitted a Board Order (*John C. Manning v The City of Edmonton*, [2012], ECARB 1720) for the subject property, in which the 2012 assessment had been reduced to \$75 per square foot. Of the reasons given for the decision, one was based on a the Complainant’s sales comparable, built in 1978 with two buildings, 44% site coverage, building area of 50,250 square feet and a TASP of \$78.89 per square foot. The Board noted that this sale comparable was also presented as this year’s sales comparable #3.

[9] The Complainant placed most weight on sales comparables #2, #3 and #5 with somewhat lesser weight on #7 and #8. The Complainant considered these sales to be most similar in physical and locational characteristics and supported a value of \$80.00 per square foot.

[10] In conclusion, the Complaint requested the Board to reduce the 2013 assessment of the subject property from \$7,183,500 to \$6,115,500.

Position of the Respondent

[11] The Respondent's brief, Exhibit R-1 ("R-1"), contained the City of Edmonton's 2013 Industrial Warehouse Assessment Brief. In this brief, the Respondent listed the factors affecting the value in the warehouse inventory, in descending order of importance, as: total main floor area, site coverage, effective age, condition, location, main floor finished area, and upper finished area.

[12] The Respondent presented six sales in support of the 2013 assessment of the subject property. Most of the sales comparables were from a similar location (Industrial Group 18) as the subject property; with one from the west end and one sales comparable from Industrial Group 12, located on a main road. The Respondent stated that the sales comparables from outside the area were chosen to provide the best comparability.

[13] The Respondent took the position that the sales comparables were chosen based on building size, site coverage and office area. The Respondent noted that the subject property had a relatively large finished office area on the main floor and large finished upper area.

[14] The Respondent's sales comparables had site coverage ranging from 28% to 44% and the total building areas ranging from 41,991 to 89,449 square feet. The effective year built for the comparables ranged from 1961 to 1977/2006. The per square foot TASP's for the comparables ranged from \$92 to \$119. The subject property was assessed at \$94 per square foot of the total building size. The Respondent stated that this value was well within the range of the sales comparables.

[15] In conclusion, the Respondent requested that the 2013 assessment of the subject property be confirmed at \$7,183,500.

Decision

[16] The decision of the Board is to confirm the assessment of the subject property at \$7,183,500.

Reasons for the Decision

[17] The Board understands that the factors affecting value in the warehouse inventory, given in the Respondents 2013 Industrial Warehouse Brief are weighted. That is, the factors given in order from most important to least are: total main floor area (per building), site coverage, effective age (per building), condition (for each building), location of the property, main floor finished area and upper floor finished area (per building).

[18] The Board notes that the previous Board decisions are not binding and nor does the Board consider such citations as evidence; nevertheless, this Board gives appropriate weight to such decisions cited by the Complainant.

[19] Most of the sales comparables presented to the Board required adjustments to make them comparable to the subject property. The Board notes that with more extensive adjustments, the results were less reliable for establishing the assessment values for the subject property.

[20] The Board examined the sales comparables, #2, #3, #5, #7 and #8, relied upon by the Complainant to determine the requested reduction in value.

[21] The Board finds the four sales comparables presented by the Complainant, #1, #2, #3 and #5 where the TASP's per square foot, \$72, \$89, \$79 and \$84, were less than the subject property's per square foot assessment of \$94, while still requiring a downward adjustment as suggested by the Respondent, to require an upward to adjust for the variance in office space. This finding is based on the main floor office space expressed as a percentage total building area, ranging from 5% to 8% for these comparables and from 9% to 19% for the upper or mezzanine space, compared to 33% and 25% , respectively, for the subject property. The Board further finds, that the total office space, on a percentage basis, ranges from 14% to 26% versus 47% for the subject property.

[22] The Board accepts the Respondent's evidence that the Complainant's sales comparable #8, at a TASP per square foot of \$90 and no office space, is in fair condition compared to the subject property in average condition and with almost 50% office space, and finds that this sales comparable would require an upward adjustment.

[23] The Board finds the first of two sales comparables presented by both parties, that is the Complainant's #4 and the Respondent's #5, noted by the Respondent as requiring no adjustment, with a per square foot TASP of \$92 although somewhat older and larger in building size, with a lower site coverage and significantly less proportionate office than the subject property to support the assessed value of subject property at \$94 per square foot.

[24] Lastly, Board finds the Complainant's sales comparable #8, also presented by the Complaint as its #6, with a per square foot TASP of \$95, is indicated by the Respondent as requiring no adjustment to closely match the subject property in terms of site coverage, location and percent main floor office, and similar in terms of age.

[25] Regarding the balance of the Respondents comparable, the Board finds that even though they have per square foot TASP's ranging from \$7 to \$25 greater than per square foot assessed value of the subject property, and are noted by the Respondent to all require a downward adjustment, to more or less match the subject property in varying terms of location site coverage and effective year built.

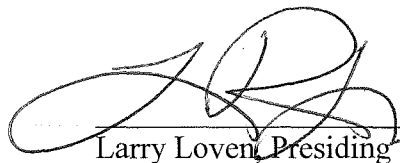
[26] Based on its consideration of the above findings, particularly the sales comparable relied upon the Complaint and presented by both parties, the Board concludes finds that the subject property's 2013 assessment of \$7,183,500 is correct and fair.

Dissenting Opinion

[27] There was no dissenting opinion.

Heard commencing October 18, 2013.

Dated this 15th day of November, 2013, at the City of Edmonton, Alberta.


Larry Loven, Presiding Officer

Appearances:

Tom Janzen
for the Complainant

Jason Baldwin
Scott Hyde
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.