

## **Edmonton Composite Assessment Review Board**

**Citation: John C. Manning v The City of Edmonton, 2013 ECARB 01729**

**Assessment Roll Number:** 10083186  
**Municipal Address:** 5304 36 Street  
**Assessment Year:** 2013  
**Assessment Type:** Annual New

Between:

**John C. Manning**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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**DECISION OF**  
**John Noonan, Presiding Officer**  
**John Braim, Board Member**  
**Pam Gill, Board Member**

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### **Procedural Matters**

[1] Upon questioning by the Presiding Officer, the parties before the Board indicated no objection to the Board's composition. In addition, the Board Members indicated no bias with respect to this file.

### **Background**

[2] The subject property is a 29,500 square feet (sf.) single tenant office/warehouse with 27,750 sf. of main floor office space and 1,750 sf of mezzanine space. It was built in 2011 and covers 41% of a 68,220 sf. lot at 5304-36 Street in the Pylypow Industrial neighbourhood. The 2013 assessment was prepared by the direct sales comparison approach in the amount of \$4,753,000. The Complainant requested the Board to reduce the assessment to \$3,540,000.

### **Issue(s)**

[3] Is the subject assessed correctly?

### **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] The Complainant noted the current assessment equates to a value of \$161.12 per sf. Twelve sales comparables were presented, as well as their assessments per sf. where available. Attention was drawn to three of these comparables in particular, selected for similarity in size in that they ranged from 21,050 sf. to 50,797 sf. Two of the three comparables were of similar age, and site coverages were 31%, 25% and 35%. Their time-adjusted sales prices ranged from \$103.04 per sf. to \$123.52 per sf, with two of the sales displaying values close to \$120 per sf.

[6] The assessments of the three selected comparables ranged from \$132.89 per sf. to \$156.24 per sf.

[7] The Complainant concluded a value of \$120 per sf. for the subject was a fair estimate of the market value of the subject, and asked the assessment be reduced to \$3,540,000.

### **Position of the Respondent**

[8] The Respondent advised that the industrial inventory had been valued by the sales comparison approach, analyzing sales that occurred from January 2008 through June 2012. Factors found to affect value were: total main floor area (per building), site coverage, effective age, condition, location, and to a lesser extent, main floor finished area (office) and upper office area.

[9] In defense of the assessment, the Respondent presented four sales comparables, three of which were located in the same study area as the subject, Core South. Where appropriate, various attributes of these comparables were highlighted as being superior or inferior to the subject in terms of age, site coverage, or total building area. The comparables were selected for average to above-average site coverage, showing a range of 32% - 39% versus the subject's 41%. It was noted that one of the four was of older construction, 1987, and the four showed a range of building size from 19,893 sf. to 51,586 sf. Their time-adjusted sales prices ranged from \$158.18 to \$184.16 per sf. of total building area.

[10] The Respondent critiqued the sales comparables presented by the Complainant, noting the following:

- i. Sale #1 was a duress sale
- ii. Sale #4 was a non arm's length transaction
- iii. Sale #8, was originally optioned to purchase on October 4, 2010
- iv. Sales #4, #5, #11 and #12 were the only ones newer than 2000

[11] Four equity comparables were presented: main floor areas ranged from 15,624 to 29,999 sf. although two of the four had mezzanine office space that bolstered the total building areas to a range of 17,499 sf. to 29,999 sf.; site coverage ranged from 30% to 46%, the assessments per sf. of total building area ranged from \$157.24 to \$169.41 and supported the subject's valuation at \$161.12 per sf.

### **Decision**

[12] The Board confirms the subject's 2013 assessment at \$4,753,000.

### **Reasons for the Decision**

[13] The Board was not convinced by the Complainant's sales comparables, especially the three sales that were weighted most heavily for the following reasons:

- i. Sale #4, involved combining two different properties with two different addresses
- ii. Sale #5, was ten years older than the subject, and the TASP of \$120.75 per sf would require an upward adjustment for comparison purposes to account for age and larger size, 40,000 sf. versus the subject's 29,500 sf.
- iii. Sale #10 was almost 40 years older than the subject

[14] Although the Complainant's comparable sale #5 (7603 McIntyre Road) may have raised a question with regard to the subject's valuation, the Board found another sale very instructive, 5880 56 Avenue, presented by the Respondent. The 56 Avenue property was built in 2000 and at 30,078 sf. is very close in size to the subject. Its time-adjusted sale price is \$158.18. This property is close in age to the McIntyre Road property and the Board is left wondering why there was such a discrepancy in market value. The Board noted that 7603 McIntyre is assessed at \$156.24 per sf., a value that seems much more appropriate given the 56 Avenue sale. The Board could only conclude that the McIntyre sale was a bargain in comparison to the values demonstrated elsewhere in the evidence packages of the parties. In any event, as the adage says, one sale does not a market make. The Board found that the sales and equity comparables provided by the Respondent supported the assessment of \$4,753,000 as both fair and equitable.

### **Dissenting Opinion**

[15] There was no dissenting opinion.

Heard November 13, 2013.

Dated this 10<sup>th</sup> day of December, 2013, at the City of Edmonton, Alberta.

A handwritten signature in dark ink, appearing to read 'JPN Noonan', is written over a horizontal line.

John Noonan, Presiding Officer

**Appearances:**

Tom Janzen

for the Complainant

Amy Cheuk, City of Edmonton Law Branch

Marty Carpentier

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.*