

Edmonton Composite Assessment Review Board

Citation: John C. Manning v The City of Edmonton, 2013 ECARB 01730

Assessment Roll Number: 8634750

Municipal Address: 9760 60 AVENUE NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

John C. Manning

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Harold Williams, Presiding Officer
James Wall, Board Member
Randy Townsend, Board Member

Procedural Matters

[1] There were no procedural matters. The Board members stated that they had no bias in regard to this complaint. Parties before the Board indicated no objection to the composition of the Board.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property under complaint is classified by the City as industrial warehousing and is located at 9760 – 60 Avenue NW within the Coronet Industrial subdivision. The subject property contains two warehouse buildings, one built in 1977 containing 7,111 square feet and one built in 1978 containing 18,258 square feet for a total building area of 25,369 square feet. The subject property was valued by the City using the Direct Sales Comparison approach resulting in a 2013 assessment of \$3,193,000.

Issue(s)

[4] Is the 2013 assessment of the subject property fair and equitable when considering the sales of comparable property?

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 provided the Board with an evidentiary document (Exhibit C-1) containing information on the sales of properties that the Complainant stated were similar to the subject property.

[7] Exhibit C-1, page 1 showed a listing of eight properties that sold between May 2010 and March 2012. The number of buildings on these properties ranged from one to four in comparison to two buildings on the subject property, and total building square footage ranged from 18,224 square feet to 79,615 square feet. Site coverage for the eight properties ranged from 24% to 63% in comparison to the subject property at 31%. Time adjusted sale prices ranged from \$61.57 per square foot to \$103.11 per square foot and the listing showed 2013 assessments ranging from \$77.00 per square foot to \$117.46 per square foot in comparison to the subject property at \$125.86 per square foot. The Complainant used the City’s time adjustment chart to adjust sales comparisons to current value. (Exhibit C-1, page 24).

[8] The Complainant informed the Board that he placed the most weight on the Complainant’s comparison sales #5, #6, #7, and #8 with particular emphasis on #5 and #7.

[9] The Complainant also argued that there should be little weight given to the City’s position that there can be significant differences in value depending on whether a property contains one building or multiple buildings. The Complainant argued that the market is primarily interested in total available building square footage on a property and may not be concerned about how many buildings make up the total square footage.

[10] The Complainant indicated to the Board that he wished to carry forward, from the complaint on roll # 8873630, information on sales comparisons, questions to the Respondent regarding multi building properties, and questions to the Respondent regarding the Respondent’s sales comparisons. In summation, the Complainant critiqued the Respondent’s sales comparables

pointing out that many adjustments to the comparables would be required to bring them closer to similarity to the subject property. Some of the adjustments pointed out were for age of buildings, site coverage, and building size.

[11] Finally the Complainant argued that the eight sales comparisons provided in Exhibit C-1 showed that the subject property was assessed too high by comparison and asked the Board to reduce the 2013 assessment for the subject property to \$2,536,500.

Position of the Respondent

[12] The Respondent provided the Board with evidentiary document (Exhibit R-1) containing information on Mass Appraisal, Factors Affecting Value, The City's assessment process, Fee Simple Estate concepts, Assessment Sales Ratios, Property Characteristics and Law and Legislation governing assessment in Alberta. The document also provided information on the sales of properties the Respondent stated were similar to the subject property and information on assessments for properties similar to the subject property.

[13] Exhibit R-1 page 25 showed a listing of seven properties that sold between July 2008 and December 2011. The numbers of buildings on these properties were either one or two in comparison to two buildings on the subject property. Total building square footage ranged from 15,089 square feet to 35,777 square feet. Site coverage for the seven properties ranged from 28% to 38% in comparison to the subject property at 31%. Time adjusted sale prices ranged from \$122.70 per square foot to \$183.85 per square foot.

[14] Exhibit R-1 page 34 (Equity Comparables) showed the 2013 assessments of five properties which the Respondent argued were very close in similarity to the subject property and showed that the subject property received an equitable assessment when compared to these five similar properties.

[15] The Respondent indicated to the Board that they wished to carry forward from roll # 8873630, information as listed in paragraph 12 above except the information on property sales and assessment equity comparisons. The Respondent particularly wished to carry forward information from Exhibit R-1 page 8 outlining the Respondent's position that multiple buildings on a property are an important factor affecting value for reasons of construction cost, income of different sizes of bays, subdivision potential, site configuration, various building exposures and conditions, and overall building size and interior finish.

[16] In summation, the Respondent critiqued the sales comparison information provided by the Complainant arguing that many adjustments to these comparisons would be needed to make them similar to the subject property. Some of the adjustments suggested were for location, building age and size and site coverage. The Respondent pointed particularly to the Complainant's sale #8 as being non arms length, and sale #3 as requiring renovation and structural floor repair.

[17] Finally the Respondent argued that the sales comparison's provided by them and the assessment equity examples provided showed that the 2013 assessment for the subject property is fair and equitable and asked that the assessment be confirmed.

Decision

[18] The decision of the Board is to confirm the 2013 assessment of the subject property.

Reasons for the Decision

[19] The Board reviewed the sales comparisons information provided by both parties and the assessment equity information provided by the Respondent. The Board also considered the argument from both parties concerning the effect of multiple buildings on property value. The Board agrees with the Respondent's information that multiple buildings may be a factor affecting value but did not give much weight to this factor as neither party could quantify the amount of effect or conversely that there would be no effect on value.

[20] The Board was not able to find convincing information from the Complainants sales comparables to indicate a need to adjust the assessment for the subject property. Most comparables were of a different location in the City. The adjustments for age, site coverage, and size would be significant enough so as to question overall comparability of the properties. In addition the Board agrees with the Respondent that the Complainants sales #3 and #8 should not be used for comparisons because of the issues described in paragraph 16 of this decision.

[21] The Board was able to rely on some of the Respondent's sales comparisons, particularly sale #3 and #7, neither of which require much adjustment to be similar to the subject property and which support the subject property assessment.

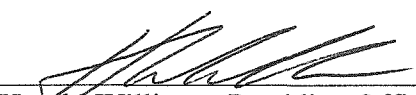
[22] The Board reviewed the Assessment Equity comparables (Exhibit R-1, page 34) and found that some of the comparables would require adjustment to be very similar to the subject property. However, overall the comparables did support the assessment for the subject property.

Dissenting Opinion

[23] There was no dissenting opinion.

Heard commencing October 23, 2013.

Dated this 7th day of November, 2013, at the City of Edmonton, Alberta.


Harold Williams, Presiding Officer

Appearances:

Tom Janzen

for the Complainant

Marty Carpentier, Assessor

Tanya Smith, Legal Counsel

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.