

## **Edmonton Composite Assessment Review Board**

**Citation: John C. Manning v The City of Edmonton, 2013 ECARB 01807**

**Assessment Roll Number:** 9982231

**Municipal Address:** 10930 184 STREET NW

**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**

**Larry Loven, Presiding Officer**

**Brian Hetherington, Board Member**

**Dale Doan, Board Member**

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### **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.

[2] At the request of the parties, the Board carried forward argument and evidence from roll number 1523372 where applicable.

### **Preliminary Matters**

[3] No preliminary matters were raised by the parties.

### **Background**

[4] The subject property is a multi-tenant office/warehouse building measuring 164,722 square feet, and occupying 32% of a 475,950 square foot lot. It is located at 10930 184 Street in Edmonton's White Industrial area. The property has been assessed as being in average condition and valued at \$16,137,000.

### **Issue(s)**

[5] Is the assessment of the subject property correct in market value and in equity.

### **Legislation**

[6] *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**

[7] The Complainant submitted a 17 page disclosure, Exhibit C-1 , in support of the position that the 2013 assessment of the subject property is incorrect in market value and equity. To further support their position the Complainant submitted a 5-page Rebuttal disclosure, Exhibit C-2 .

[8] The Complainant provided five sales comparables summarized as follows:

#	Address	Sale Date	Main Floor Area	% Site Cover	Eff Age	Condition	Location	Main Floor Finish	Upper Finish
1	2103 64 Ave	May-09	252,435	41	2001	Avg	20	9,075	9,100
2	14604 134 Ave	Sep-09	114,037	37	1979	Avg	17	5,974	0
3	18403 104 Ave	Sep-09	72,397	34	2004	Avg	2	16,216	480
4	12810 170 St	Apr-10	399,983	39	2008	Avg	17	16,779	0
5	12959 156 St	Jul-11	98,358	42	2008	Avg	17	5,621	1,660
Sub	10930 184 St		154,574	32	2000	Avg	2	10,148	10,148

*Note: For comparative purpose, italics indicate data provided by the Respondent.*

[9] The Complainant also provided adjustments based on variances to the subject property in terms of building size, site coverage and effective age, which were argued to provide a more fair and equitable assessment.

#	Address	TASP / Sq Ft (Total)	Assessed / Sq ft (Total)	Adjust / Sq Ft (Total)	Adjusted TASP / Sq Ft (Total)	Adjusted Assessed / Sq Ft (Total)
1	2103 64 Ave	\$75	\$75.50	+20%	\$89.94	\$90.60
2	14604 134 Ave	\$77	\$80	+30%	\$98.66	
3	18403 104 Ave	\$104.20	\$126	-10%	\$93.78	\$119.64
4	12810 170 St	\$88	\$73.77	+15%	\$90.13	\$84.84
5	12959 156 St	\$134.23	\$100.80	-5%	\$127.52	\$96.76

**Sub 10930 184 St \$97.97**

*Note: For comparative purposes, italics indicate data provided by the Respondent.*

[10] Based on the Complainant's analysis of these sales and assessments compared to the subject property, the Complainant considered a base year market value of \$92 per square foot or \$15,154,424 to be reasonable.

[11] In conclusion, the Complainant requested the 2013 assessment of the subject property be reduced to \$15,154,000.

[12] In C-2, the Complainant provided the Respondent's sales comparables with the attached 2013 assessment data for each, as summarized in the table below. The Complainant argued that the Respondent's sales comparables #1 and #3 were newer and smaller than the subject property, and that comparables #2 and #3 had larger site coverages, making them less comparable.

#	Address	Bldg Area	% Site Cover	Eff Age	TASP / Sq Ft (Total)	Assessed/ Sq ft (Total)
1	18507 104 Ave	118,800	34	2007	\$140	\$105.91
2	4103 84 Ave	163,368	54	1998	\$90	\$82.44
3	12959 156 St	100,018	42	2008	\$134	\$100.72
<b>Sub</b>	<b>10930 184 St</b>	<b>164,722</b>	<b>32</b>	<b>2000</b>	<b>\$100</b>	<b>\$97.97</b>

### **Position of the Respondent**

[13] The Respondent submitted a 55-page disclosure, Exhibit R-1 ("R-1") containing an industrial warehouse brief, pictures, maps, a profile report, complainant issues, comparable sales, equity comparables, additional evidence, a conclusion and a law brief.

[14] The Respondent's *City of Edmonton's 2013 Industrial Warehouse Assessment Brief* listed the factors affecting the value in the warehouse inventory, in declining importance, as: total main floor area, site coverage, effective age, condition, location, main floor finished area, and upper finished area.

[[15] The Respondent submitted a chart containing three sales comparables, which were all single building properties, which were sold between November 2009 and July 2011, summarized in the table below:

	Address	Sale Date	Main Floor Area	% Site Cover	Eff Age	Condition	Location	Main Floor Finish	Upper Finish	TASP / Sq Ft (Total)
1	18507 104 Ave	Nov-09	118,800	34	2007	Avg	17	7,160	0	\$140
2	4103 84 Ave	Feb-10	163,368	54	1998	Avg	18	15,595	0	\$90
3	12959 156 St	Jul-11	98,358	42	2008	Avg	17	5,621	1,660	\$134
<b>Sub</b>	<b>10930 184 St</b>		<b>154,574</b>	<b>32</b>	<b>2000</b>	<b>Avg</b>	<b>2</b>	<b>10,148</b>	<b>10,148</b>	<b>\$100</b>

[13] The Respondent argued that its sales were more directly comparable to the subject property in size, age and main floor finish and they supported the assessment of the subject property at \$100 per square foot.

[14] The Respondent submitted a table of four equity comparable properties, three of which are located Industrial Group 2, similar to the subject property, and all are single building properties just as the subject property. The information is summarized as follows:

#	Address	Main Floor Area	Bldg Count	% Site Cover	Eff Age	Condition	Location	Main Floor Finish	Upper Finish	Assmt / Sq Ft (Total)
1	17306 116 Ave	144,827	1	32	2004	Avg	17	7,727	3,648	\$96
2	11204 184 St	149,621	1	37	2001	Avg	2	20,360	0	\$101
3	18404 116 Ave	178,689	1	42	2004	Avg	2	16,489	7,080	\$93
4	11751 186 St	127,396	1	37	2005	Avg	2	20,049	7,000	\$97
<b>Sub</b>	<b>10930 184 St</b>	<b>154,574</b>	<b>1</b>	<b>32</b>	<b>2000</b>	<b>Avg</b>	<b>2</b>	<b>10,148</b>	<b>10,148</b>	<b>\$98</b>

[15] The Respondent provided the Board with Tax Assessment sheets for each of the comparable properties, and also added Tax Assessment sheets for each of the Complainant's sales comparables. (R-1, pp. 27-35).

[16] The Respondent submitted several excerpts from *The Appraisal of Real Estate, 2<sup>nd</sup> Edition* and *Basics of Real Estate Appraising, 5th Edition*, in support of its arguments regarding qualitative analysis and adjustments.

[17] The Respondent also submitted an argument regarding the Complainant's small number of Assessment to Sales Ratios (ASRs) and changes to the property from the sale date to the assessment date.

### **Decision**

[18] It is the decision of the Board to confirm the 2013 assessment of the subject property at \$16,137,000.

## **Reasons for the Decision**

[19] The Board heard from the Complainant that its basis of adjustment relied upon approximately 1% per year in difference in age, 1% per percentage difference in site coverage and a factor for the difference in size. However, the Board places little confidence in the quantitative adjustment method relied upon by the Complainant to determine a reasonable value for the subject property. The Complainant provided no supporting evidence in appraisal theory or practice in support of this methodology.

[20] The Board accepts the Factors Affecting Value given in the Respondent's *2012 Industrial Warehouse Assessment Brief* (R-1, pp. 8-12), which, in descending order of importance are: total main floor area (per building), site coverage, effective age (per building), condition (per building), location of the property, main floor finished area, and upper finished area. The Board also notes that the first three factors were used by the Complainant to determine the adjustment factors applied to its sales comparables.

[21] From the Board's examination of the Complainant's sales comparables, it finds that the Complainant's sales comparable #3 closely matches the assessable factors of the subject property in terms of site coverage and age, although its half the size of the subject with almost twice the office build. It sold for a TASP of \$104 per square foot and supports the assessed value of the subject property.

[22] From the Board's examination of the Respondent's sales comparables, it finds that the Respondent's sales comparable #2 closely matches the assessable factors of the subject property in terms of size, age and relative percent office build, although with 22% greater site coverage. It sold for a TASP of \$90 per square foot and supports the assessed value of the subject property.

[23] The Board finds the sales comparable presented by both parties, the Complainant's #5 (also presented by the Complainant as an equity comparable) and the Respondent's #3 is similar to the subject property. Although approximately one third smaller, with 10% greater site coverage, 10% more relative office build and 8 years newer, it sold for a TASP of \$134 per square foot and is assessed at \$101 per square foot. It also supports the assessed value of the subject property.

[24] The Board finds that the four equity comparables presented by the Respondent, while being similar in building size, site coverage and age, with from similar to almost four times greater relative percent office build, assessed from \$93 to \$101 per square foot, support the assessed value of the subject property.

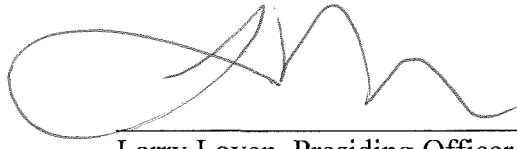
[25] Based on its consideration of the above findings, the Board concludes the subject property to be fairly and equitably assessed.

## **Dissenting Opinion**

[26] There was no dissenting opinion.

Heard on November 27, 2013.

Dated this 17<sup>th</sup> day of December, 2013, at the City of Edmonton, Alberta.

A handwritten signature in black ink, consisting of a large loop followed by several sharp, angular strokes.

Larry Loven, Presiding Officer

**Appearances:**

Tom Janzen  
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.*