

Edmonton Composite Assessment Review Board

Citation: John C. Manning v The City of Edmonton, 2013 ECARB 01947

Assessment Roll Number: 1032465

Municipal Address: 11704 170 STREET 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
Tom Eapen, Presiding Officer
Jack Jones, Board Member
Robert Kallir, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer, the parties did not object to the composition of the Board. The Board members stated they had no bias with regard to this file.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property is classified as a multi-tenant office / warehouse with a floor area of 73,850 sq. ft. It was built in 1981 and the lot size is 206,021 sq. ft. The subject is located in the Armstrong Industrial subdivision in the Northwest and the municipal address is 11704-170 Street, NW, Edmonton.

Issue(s)

[4] Is the 2013 assessment of 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 289(1) Assessments for all property in a municipality, other than linear property, must be prepared by the assessor appointed by the municipality.

(2) Each assessment must reflect

(a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and

(b) the valuation and other standards set out in the regulations for that property.

s 293(1) In preparing an assessment, the assessor must, in a fair and equitable manner,

(a) apply the valuation and other standards set out in the regulations, and

(b) follow the procedures set out in the regulations.

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.

[6] The *Matters Relating to Assessment and Taxation Regulation, Alta Reg 220/2004 (MRAT)* reads:

s 2 An assessment of property based on market value

(a) must be prepared using mass appraisal,

(b) must be an estimate of the value of the fee simple estate in the property, and

c) must reflect typical market conditions for properties similar to that property.

s 3 Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.

Position of the Complainant

[7] The Complainant filed this complaint on the basis that the subject property's assessment \$6,852,500 exceeds the best estimate of market value. In support of this position, the Complainant presented the Board with a 29 page evidence package marked as Exhibit C-1.

[8] The Complainant presented the Board with photographs, and maps detailing the subject property [Exhibit C-1 pages 3-9].

[9] The Complainant advised the Board that the assessment for the subject property was prepared using the direct sales comparison approach. In support of this argument the Complainant provided the Board with seven sales comparables (Exhibit C-1, page 1). The seven sales comparables ranged from 1958 to 1990 in year of construction. The building sizes ranged from 43,949 square feet to 137,062 square feet and site coverage ranged from 28% to 58% compared to the subject property's site coverage at 36%. The sales dates ranged from August 2009 to July 2012 and the time adjusted sale price per square foot ranged from \$63.64 to \$87.09 compared to the 2013 assessment of the subject property at \$92.79 per square foot.

[10] The Complainant also presented the 2013 assessments of the same properties which ranged from \$60.64 to \$86.78 per square foot.

[11] During argument and summation, the Complainant stated that the most weight should be placed on his sales #1, 5 and 6. These sales, which are most similar in terms of physical and locational characteristics, supported a market value of \$80.00 per square foot.

[12] In addition the Complainant provided a 2012 Board Order for the subject property showing the Board put the most weight on sales #1 & 2. (*CVG v The City of Edmonton*, [2012] ECARB 1760, at para 19). The Complainant time adjusted the unit value from the 2012 decision to derive a value of \$83.13 per square foot as of July 1, 2012.

[13] The Complainant requested that the Board reduce the 2013 assessment from \$6,852,500 to \$5,908,000

Position of the Respondent

[14] The Respondent defended the 2013 assessment by providing the Board with a 58 page disclosure package marked as Exhibit R-1.

[15] The Respondent outlined the mass appraisal methodology for valuing properties in the industrial inventory as well as the factors affecting value (Exhibit R-1, pages 4 to 14). The Respondent indicated that the main factors affecting value in warehouse properties in descending order are: Main Floor Area, Site Coverage, Effective Age, Condition and Location.

[16] The Respondent provided photos, maps and the detailed assessment sheets of the subject property (Exhibit R-1 pages 12-20).

[17] To support the City of Edmonton's assessment of \$6,852,500 or \$93 per square foot, the Respondent presented a chart of seven sales comparables. The sales ranged in effective year built from 1977 to 2008. The total building areas of the sales ranged from 66,720 square feet to 118,800 square feet. The time-adjusted sale price per square foot of total building area ranged from \$81 to \$152 (Exhibit R-1 page 24).

[18] The Respondent also presented a critique of the Complainants sales comparables (R-1, page 24) stating that two of the seven sales comparables (#4 & 7) were problematic and should not be considered as valid sales for comparison purposes. The support for this critique was provided in Exhibit R-1, page #32. The Respondent noted that the remaining five sales of the comparables are not comparable for site coverage and building sizes.

[19] In summary the Respondent requested the 2013 assessment of the subject property be confirmed at \$6,852,500.

Decision

[20] The decision of the Board is to confirm the 2013 assessment at \$6,852,500.

Reasons for the Decision

[21] After review and consideration of the evidence and argument presented by both parties the Board finds the 2013 assessment of the subject property at \$6,852,500 to be appropriate.

[22] One of the comparables provided by the Complainant was critiqued by the Respondent as it was classed as non arms length transactions and one was a post facto sale and as such these comparables were problematic as far as being comparable to the subject property.

[23] In reviewing sales comparables presented by the Complainant and the Respondent (C-1, page 1 & R-1, page 24) the Board noted that after the two sales critiqued as questionable by the Respondent were removed, the remaining sales comparables of the Complainant are not comparable to the subject for its building size and the site coverage.

[24] In reviewing sales comparables presented by both the Complainant and Respondent (Exhibit C-1, page 1 & Exhibit R-1, page 24) the Board found that in determining the fairness and equity of the assessment of the subject property the properties that were more comparable to the subject property with respect to size, site coverage, age and location were the Respondent's sale comparables rather than those provided by the Complainant..

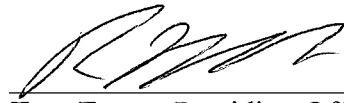
[25] At an assessment appeal, as determined in *Calgary (City) v Alberta (Municipal Government Board) 2010 ABQB 719*, the ultimate burden of proof or onus rests with the Appellant to convince the Board that their argument, facts, and evidence are more credible than those of the Respondent.

Dissenting Opinion

[26] There was no dissenting opinion.

Heard commencing November 8, 2013.

Dated this 2nd day of December, 2013, at the City of Edmonton, Alberta.

 for

Tom Eapen, Presiding Officer

Appearances:

Tom Janzen, Canadian Valuation Group
for the Complainant

Scott Hyde, Assessor, City of Edmonton
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.