

Edmonton Composite Assessment Review Board

Citation: General Motors of Canada Limited as Represented by AEC Property Tax Solutions v The City of Edmonton, 2014 ECARB 00526

Assessment Roll Number: 3034626

Municipal Address: 17707 118 Avenue NW

Assessment Year: 2014

Assessment Type: Annual New

Assessment Amount: \$17,973,500

Between:

General Motors of Canada Limited as Represented by AEC Property Tax Solutions

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Robert Mowbrey, Presiding Officer
Jack Jones, Board Member
Joseph Ruggiero, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer the parties indicated they did not object to the Board's composition. In addition, the Board members stated they had no bias with respect to this file.

Background

[2] The subject property is a 239,941 square foot warehouse which contains 7,620 square feet of office space and a total site coverage of 33%. The building was constructed in 1985 and is located in the Armstrong industrial neighbourhood.

Issues

[3] Is the 2014 assessment of the subject property at \$17,973,500 correct?

Position of the Complainant

[4] The Complainant presented evidence and argument for the Board's review and consideration.

[5] In support of a requested reduction to the 2014 assessment at \$75 per square foot, the Complainant presented three sales and equity comparables. The median time adjusted unit sales

value of the comparables was \$101 per square foot while the median unit assessed value was \$74 per square foot.

[6] The Complainant noted that a large portion of the subject property was essentially land locked due to the layout and current use of the existing facility, therefore rendering this portion of the property as being of little use to the owner.

[7] In rebuttal the Complainant presented the assessments of the Respondent's seven sales comparables to illustrate the variance in the ASR's (assessment to sale ratio). In this analysis the Complainant deleted three of the comparables which were significantly different than the subject property with respect to age (#1, 2 & 5) and derived a median ASR from the remaining comparables of 0.78. The Complainant noted that the assessments were typically well below the time adjusted sales prices for these properties and requested the same consideration for the subject property.

[8] In summary the Complainant requested the 2014 assessment of the subject property be reduced from \$17,973,500 (\$75 per square foot) to \$15,636,945 (\$65.25 per square foot).

Position of the Respondent

[9] The Respondent presented evidence and argument for the Board's review and consideration.

[10] In support of the 2014 assessment of the subject property the Respondent presented seven sales comparables which ranged in unit time adjusted value from \$68 to \$119 per square foot.

[11] Two of the Respondent's sales comparables (#3 & 4) were also presented by the Complainant.

[12] The Respondent also presented four equity comparables which ranged in unit assessment from \$61 to \$113 per square foot.

[13] The Respondent contested the Complainant's claim concerning a large portion of land within the subject property as being unusable indicating that access was available and that this portion of the property could be developed in the future.

[14] The Respondent presented a 2013 CARB decision for the subject property which confirmed the 2013 assessment.

[15] In summary the Respondent requested the 2014 assessment of the subject property be confirmed at \$17,973,500.

Decision

[16] The decision of the Board is to confirm the 2014 assessment of the subject property at \$17,973,500.

Reasons for the Decision

[17] After review and consideration of the evidence and argument presented by both parties the Board determined that the 2014 assessment of the subject property at \$17,973,500 is appropriate.

[18] The Board placed greatest weight on the two sales comparables presented by both the Complainant (#1 & 2) and the Respondent (#3 & 4). These properties were similar to the subject property with respect to building size, site coverage, age, location and condition and support the 2014 unit assessment of the subject property at \$75 per square foot.

[19] These same sales comparables were also presented by both parties as equity comparables (Complainant #1 & 2 and Respondent # 1 & 2) and the assessments of these properties also support the unit assessment of the subject property at \$75 per square foot. The Board noted that the #2 property had a lower assessed value than the subject which was likely accounted for by a significant upper office area (46,840 square feet) which is valued at a lower rate than main floor space.

[20] The Board placed less weight on the ASR and fairness argument presented by the Complainant as both the sale and assessment values (noted above) for the comparable properties which were presented by both parties support the 2014 assessment of the subject property.

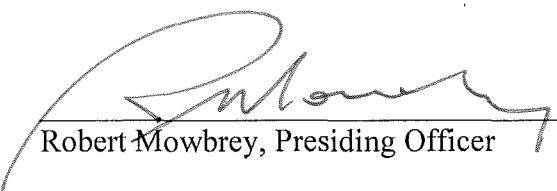
[21] The Board finds that the 2014 assessment of the subject property is fair and equitable.

Dissenting Opinion

[22] There was no dissenting opinion.

Heard June 16, 2014.

Dated this 20th day of June, 2014, at the City of Edmonton, Alberta.



Robert Mowbrey, Presiding Officer

Appearances:

John Smiley, Senior Consultant, AEC Property Tax Solutions

Maciej Kudrycki, AEC Property Tax Solutions

for the Complainant

Luis Delgado, Assessor, City of Edmonton

Melissa Zayac, Assessor, City of Edmonton

Steve Lutes, Legal Counsel, 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.

Appendix

Legislation

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.

Exhibits

C-1 – Complainant’s Brief (19 pages)

C-2 – Complainant’s Rebuttal (19 pages)

R-1 – Respondent’s Brief (59 pages)