

Edmonton Composite Assessment Review Board

**Citation: Barbara Brandt as represented by MNP LLP v The City of Edmonton, 2014
ECARB 00770**

**Assessment Roll Number: 8638363
Municipal Address: 8605 63 Avenue NW
Assessment Year: 2014
Assessment Type: Annual New
Assessment Amount: \$3,971,000**

Between:

Barbara Brandt as represented by MNP LLP

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

**DECISION OF
John Noonan, Presiding Officer
Dale Doan, Board Member
Lillian Lundgren, 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.

[2] ARB administration and the Complainant received an email from Respondent's Counsel the day prior to the scheduled hearing. Counsel noted that for roll numbers 8638363 and 8627457 the agent authorization form appointing MNP LLP as agent was signed by Cindy J. Harris. There was no indication of relationship to the owners.

[3] At the beginning of the hearing, the Board took into evidence as an exhibit Counsel's email and the related authorization forms and prepared to deal with the situation as a preliminary matter. However, the parties explained this was no longer a potential issue as the agent had secured from Ms. Harris a sworn affidavit that she acted as property manager for the owners and had signing authority. The Respondent was satisfied that the Complainant's agent was properly authorized and had no further concerns that might delay the hearing.

[4] Respondent's Counsel's concluding remarks observed that it should properly be the responsibility of the ARB to examine complaints to determine their validity and assure that agent authorization forms are in order.

Background

[5] The subject property is a 1969 built 26,100 square feet (sf) medium warehouse on a lot of 92,785 sf at 8605 63 Avenue. The improvement is assessed as average condition, covering 28 % of the site. The 2014 assessment was prepared by direct sales comparison in the amount of \$3,971,000 or \$152 per sf of improvement. The Complainant presented sales and equity comparables in requesting a reduced assessment of \$3,524,000 or \$135 per sf.

Issues

[6] The Board heard evidence and argument on two issues:

1. Is the subject assessed at greater than market value?
2. Is the subject assessed equitably?

Position of the Complainant

[7] The Complainant presented 4 sales comparables selected for similarity of size, site coverage, age and location on a major roadway in southeast Edmonton. Three of these comparables had no upper office development, like the subject. The time-adjusted per sf sales prices ranged from \$118 to \$142 and produced average and median of \$131.08 and \$132.01 respectively. The Complainant submitted that these sales comparables indicated a market value of \$140 per sf for the subject or \$3,654,000.

[8] In similar fashion, 7 equity comparables showed that similar properties were assessed in a range of \$122.53 - \$149.45 per sf of main floor development, producing average and median of \$136.02 and \$136.60. These comparables indicated an equitable value for the subject of \$135 per sf or \$3,524,000. That amount was the basis for the requested reduction in assessment.

Position of the Respondent

[9] The Respondent reviewed the sales comparison approach and the ranking of factors found to affect value: main floor area, site coverage, effective age, location, condition, main floor finished area and upper finished area.

[10] Five sales comparables demonstrated a range of value from \$122 to \$185 per sf of improvement with colour coding showing inferior or superior characteristics and overall comparability to the subject. These comparables showed the subject within the range of market value with an assessment of \$152 per sf.

[11] Four equity comparables, including one used by the Complainant, were similarly arrayed and colour coded. These showed an assessment range of \$141 to \$160 per sf, supportive of the subject's \$152 valuation.

Decision

[12] The Board reduces the assessment from \$3,971,000 to \$3,654,000.

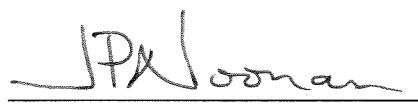
Reasons for the Decision

[13] In the course of questions to one another, the parties adduced differences in the respective sales and equity comparables. Of the sales presented, after a winnowing process the Board found two properties relatively close to the subject's size and age but with contradictory conclusions: one sale supported the subject's \$152 valuation, the other did not.

[14] The Board turned to the equity comparables presented by the parties and beside the one common comparable presented, 7925 Argyll Road, found 3 others instructive: 6024 Gateway Blvd., 4816 and 4920 99 St. These comparables showed values of \$123, \$133, \$136 and \$142 per sf. The Board found that the middle values from the 99 St properties (\$133 and \$136) should be lower than the subject given their lack of main floor office, but that the Argyll Road value of \$142 considered a building that is half office and would be high in comparison to the subject. Given the subject's 28% site coverage, superior to all three of the comparables, the Board determined that its value should be at the high end of the range and thus \$140 per sf represented an equitable assessment. This results in a value of \$3,654,000.

Heard July 15, 2014

Dated this 29th day of July, 2014, at the City of Edmonton, Alberta.



John Noonan, Presiding Officer

Appearances:

Walid Melhem
for the Complainant

Cameron Ashmore
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.

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

Assessment Notices, C1 – 2 Pages

Affidavit and Attachments, C2 – 3 Pages

Complainant’s Brief, C3 – 82 Pages

Complainant’s Rebuttal, C4 – 6 Pages

Respondent’s Communication regarding Agent Authorization Forms, R1 – 3 Pages

Respondent’s Brief, R2 – 50 Pages

Respondent’s Sur-rebuttal, R3 – 1 Page