

## **Edmonton Composite Assessment Review Board**

**Citation: Paragon Investments Ltd as represented by MNP LLP v The City of Edmonton,  
2014 ECARB 00773**

**Assessment Roll Number:** 9541905  
**Municipal Address:** 7220 48 Street NW  
**Assessment Year:** 2014  
**Assessment Type:** Annual New  
**Assessment Amount:** \$3,508,000

Between:

**Paragon Investments Ltd as represented by MNP LLP**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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### **DECISION OF**

**John Noonan, Presiding Officer**

**Dale Doan, Board Member**

**Lillian Lundgren, Board Member**

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### **Procedural Matters**

[1] When asked by the Presiding Officer, the parties did not object to the composition of the Board. The Board members stated that they have no bias in this matter.

### **Background**

[2] The subject property is an industrial warehouse located at 7220 48 Street NW in the Weir Industrial neighborhood. The building has a total area of 15,200 square feet (sf) with an effective year built of 2007. The lot size is 47,038 sf with site coverage of 32%.

### **Issues**

1. Is the subject property assessment a correct estimate of market value?
2. Is the subject property equitably assessed with similar properties?

### **Position of the Complainant**

[3] The Complainant filed this complaint on the basis that the subject property assessment of \$3,508,000 is in excess of market value, and that the subject property is inequitably assessed with similar properties.

[4] The Complainant argued that sales of properties similar to the subject indicate a value of \$180/sf, whereas, the subject is assessed at a value of \$231/sf. The Complainant presented five sale comparables and withdrew the comparable located at 6670 53 Avenue. The average and the median of the four remaining comparables is \$198/sf. When the indicated value of \$200 per square foot is applied to the subject property, a value of \$3,040,000 is produced. This value forms the basis for the revised request.

[5] The Complainant argued that the assessments of the sale comparables indicate a value of \$180/sf, while the subject property is assessed at a rate of \$231/sf. The Complainant presented five assessment comparables and withdrew the comparable located at 6670 53 Avenue. The average and the median of the four remaining comparables is \$179/sf.

[6] In summary, the Complainant requested the Board to reduce the assessment to \$3,040,000.

### **Position of the Respondent**

[7] The complainant submitted that the subject assessment of \$3,508,000 is correct and equitable.

[8] The Respondent presented three sale comparables that have time adjusted sale prices of \$234/sf, \$222/sf and \$215/sf. The Respondent noted that both parties used the sale comparable located at 5910 68 Avenue NW that sold for \$215/sf. The Respondent explained that this comparable requires an upward adjustment to account for the difference in building size between the subject and the comparable.

[9] The Respondent stated that the Complainant's sale/assessment comparable located at 3604 76 Avenue NW is in the office inventory and should not be used as a comparable. This leaves three comparables in the Complainant's evidence, and the Respondent considers all three of the comparables to be inferior to the subject because of the factors that affect value.

[10] In summary, the Respondent requested the Board to confirm the assessment at \$3,508,000.

### **Decision**

[11] The subject property assessment is confirmed at \$3,508,000.

### **Reasons for the Decision**

[12] In determining this matter, the Board reviewed the Complainant's evidence and the Board finds that the sale/assessment comparables are not good indicators of value for the subject property. Other than the one common to both parties' presentations, the comparables require upward adjustment to account for the factors that affect value, such as age and site coverage. The Board also finds that the property located at 3604 76 Avenue NW is not a good indication of value because it is an office building.

[13] In the absence of any compelling evidence to support the Complainant's position that the subject property is inequitably assessed with similar properties, the Board finds no inequity.

[14] Next, the Board reviewed the Respondent's sale comparables and finds that two of the three comparables are inferior to the subject property and would require an upward adjustment. However, the Respondent's three comparables are sufficiently similar to the subject property to establish a range of time adjusted sale prices from \$215/sf to \$234/sf that are indicative of the value of the subject. The subject property is assessed at \$231/sf which falls within the range.

[15] For these reasons, the assessment is confirmed at \$3,508,000.

Heard July 15 and 16, 2014

Dated this 6<sup>th</sup> day of August, 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

Complainant’s Brief, C1 – 78 Pages

Respondent’s Brief, R1 – 55 Pages