

Edmonton Composite Assessment Review Board

**Citation: COLLIERS INTERNATIONAL REALTY ADVISORS INC v The City of
Edmonton, ECARB 2012-002043**

Assessment Roll Number: 1560267

Municipal Address: 17220 STONY PLAIN

ROAD NW

Assessment Year: 2012

Assessment Type: Annual Revised

Between:

COLLIERS INTERNATIONAL REALTY ADVISORS INC

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Dean Sanduga, Presiding Officer

Brian Carbol, Board Member

John Braim, Board Member

Preliminary Matters

[1] At the outset of the hearing one Board Member indicated that he appraised the subject property 20 years ago. The Complainant and the Respondent expressed no objection to the Board member hearing this appeal.

[2] When asked by the Presiding Officer, the parties indicated no objection to the composition of the Board. The Board members indicated they had no bias in the matter before

Background

[3] The subject property is a 36,868 square feet office building constructed in 1988 on a lot size of 2.03 acres. The subject has site coverage of 41.7% and is zoned IB.

Issue(s)

[4] Is the 2012 assessment fair and equitable when compared to similar properties?

Legislation

[5] The Municipal Government Act reads:

Municipal Government Act, RSA 2000, c M-26

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

[6] The Complainant presented to the Board an evidence package comprising 26 pages (Exhibit C-1), arguing that the sales comparables and the sale of the subject property all indicate lower values for the subject property, and requested a reduction of the 2012 assessment to the \$4,950,000 sale of the subject property on April 28, 2011.

[7] The Complainant argued that the sale of the subject property on April 28, 2011 for \$4,950,000 is the best evidence of the market value of the subject property at the valuation date. In support of this argument, the Complainant cited CARB order 0302-10/2011, which “indicates a valuable sale of the subject near or at the assessment date is the best indicator of value”(C-1, page 10)

[8] In support of the request for assessment reduction, the Complainant submitted four sales comparables showing an average value per square foot at \$88.51, as compared to the subject which is assessed at \$145.83 per square foot.

[9] The Complainant argued that each of the sale comparables is in similar condition to the subject property. Thus, the average of these sale prices provides a range for the market value within this area (C-1, page 11).

[10] The Complainant contended that because the subject property has a superior location to the comparables, and is somewhat newer, it is reasonable to adjust for these factors and assign a unit value of \$115.00 per square foot to the subject property. This would result in a market value of \$4,883.475 for the subject property.

[11] The Complainant stated that a 16.0 % increase in assessment from 2011 to 2012 was unreasonable.

[12] Based on the above, the Complainant requested the 2012 assessment be reduced from \$5,350,000 to \$4,950,000 reflecting the sale of the subject property.

Position of the Respondent

[13] The Respondent presented a 122-page assessment brief (Exhibit R-1) arguing the current assessment of \$5,350,000 is fair and equitable when compared to sales and equity of similar properties.

[14] The Respondent stated that the subject property is a two storey office building constructed in 1978 and refurbished in 2011 to an effective age of 1988. The subject, comprised of offices, was classified as a B class office; in early 2012 the completed renovation changed the class to A.

[15] The Respondent critiqued the Complainant's sales comparables (R-1, page 17) as follows:

- i. The first comparable property is inferior to the subject property due to age, retrofitting from an industrial use and a further requirement for renovation in excess of the purchase price. A large portion of the comparable is used as warehouse.
- ii. The second sale comparable is a one story sales warehouse located in an industrial area and is partially warehouse area rather than office finish.
- iii. The third sale comparable is a one storey warehouse and lacks the finish and mechanical attribution of the subject property. This comparable built in 1976 is also in a state of disrepair.
- iv. The fourth sale comparable is a C class office building located in an industrial area that is not comparable to the subject location and is inferior in quality, location and age.
- v. Photos and documentation of the comparables demonstrate a lack of comparability to the subject.

[16] The Respondent submitted to the Board an equity chart of 35 Suburban West Edmonton Area (WEA) "B" class office buildings indicating that office buildings are assessed at \$145.84 per square foot (R-1, page 16).

[17] The Respondent submitted a chart of 2012 Suburban Valuation Rates which indicated that District WEA subclass B office buildings valued a lease rate at \$13.00 per square foot (R-1, page 15)

[18] In support of his position, the Respondent submitted to the Board five previous Board decisions for review and consideration.

Decision

[19] The decision of the Board is to reduce the 2012 assessment from \$5,350,000 to \$4,950,000.

Reasons for the Decision

[20] The Board placed less weight on the Complainant's sale comparables and noted that the comparables are somewhat inferior and lacking comparability to the subject.

[21] The Board considered the Respondent's sales comparables and the valuation rate in West Edmonton area, but Board was persuaded by the sale of the subject property.

[22] The Board found the recent sale price of the subject property three months in advance of the valuation date of July 1, 2011 the best means of establishing the market value of the subject property, as the sale occurred close to the valuation date. Both the Complainant and the Respondent agreed the sale of the subject property was a valid sale. The subject property was sold on April 28, 2011 for \$4,950,000. The Board considered this sale as informative, having occurred in the base year, only two months before the valuation date.

[23] The Board notes that Courts have held that the best indicator of market value is the sale of the subject property close to the valuation date.

[24] In summary, based on its consideration of the above evidence and agreements, the Board places the greatest weight on the sale of the subject property as the best indicator of market value. Consequently, the Board finds that the time adjusted sales price of the subject property to be \$4,950,000.

Dissenting Opinion

[25] There was no dissenting opinion.

Heard commencing October 3, 2012.

Dated this 23rd day of October, 2012, at the City of Edmonton, Alberta.

Dean Sanduga, Presiding Officer

Appearances:

Greg Jobagy
for the Complainant

John Ball
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.