EDMONTON
Assessment Review Board

10019 103 Avenue, Edmonton, AB T5J 0G9
Ph: 780-496-5026
Email: assessmentreviewboard@edmonton.ca

NOTICE OF DECISION NO. 0098 104/12

COLLIERS INTERNATIONAL REALTY ADVISORS INC
3555 - 10180 101 STREET
EDMONTON, AB T5J 3S4

The City of Edmonton

Assessment and Taxation Branch
600 Chancery Hall
3 Sir Winston Churchill Square
Edmonton AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from a hearing held on July 23, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
4132064	10165 109 STREET NW	Plan: 9020932 Unit: 516	$625,500	Annual New	2012

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.

cc: CAPITAL CENTRE NOMINEE COMPANY

Edmonton Composite Assessment Review Board

Citation: COLLIERS INTERNATIONAL REALTY ADVISORS INC v The City of Edmonton, ECARB 2012-002133

Assessment Roll Number: 4132064
Municipal Address: 10165 109 STREET NW
Assessment Year: 2012
Assessment Type: Annual New

Between:

COLLIERS INTERNATIONAL REALTY ADVISORS INC

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Lynn Patrick, Presiding Officer
Brian Carbol, Board Member
John Braim, Board Member

Preliminary Matters

[1] When asked by the Presiding Officer, the parties did not object to the composition of the Board. In addition, the Board members indicated no bias in the matter before them.

Background

[2] The subject property is a condominium unit found on the main floor of Capital Place, which is a high-rise apartment zoned EZ (Enterprise Zone). The building is assessed as office condominium and was built in 1981. The condominium is an inside unit and is 2,541 square feet in size.

Issue(s)

[3] Is the 2012 assessment of the subject property correct?

Legislation

[4] The Municipal Government Act reads:

***Municipal Government Act*, RSA 2000, c M-26**

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

[5] The Complainant filed this complaint on the basis that the 2012 assessment of the subject property exceeded its market value. In particular the Complainant stated the subject property had been assessed on the direct sales comparison approach and was atypical and the seven comparable sales provided were the best comparable properties available for comparison to the subject property (Exhibit C-1, page 9).

[6] The comparable sales were built between 1963 and 1987 with the subject being constructed in 1981. The sales took place between June 2009 and April 2010 and ranged in size from 3,100 sq ft to 8,830 sq ft with the subject being 2,541 sq ft. The indicated unit rates for the seven sales ranged from $122.81/ sq ft to $194.02/ sq ft with an average of $151.93/ sq ft and a median of $145.00/ sq ft both of which support a reduction of the assessment. The subject is assessed at $246.16/ sq ft.

[7] The Complainant argued that as the subject property was newer than most of the comparables the true value was closer to the higher end of the value range. Conversely the Complainant argued that as the subject property was smaller than the comparables the value should be discounted to conform to the principles of the "Economies of Scale".

[8] The Complainant also argued that sale #7 was the most comparable property to the subject as it required the least adjustments when comparing it with the subject. It was nearest to the subject in terms of location; was a condominium and was also the closest in size. As the subject property was in a superior location to this comparable an upward adjustment must be made to the unit rate.

[9] In conclusion to his main argument the Complaint stated that $190.00/ sq ft was the most reasonable value based on all of the above considerations. This resulted in a request to reduce the current assessment to $483,000.

[10] In rebuttal the Complainant made reference to the "Economies of Scale" in connection with units of comparison (Exhibit C-2, page 8) and emphasized that it was important to select sales in the same size range as the subject property as otherwise they may not be particularly meaningful due to the difficulty of adjusting for the size factor.

[11] The Complainant then outlined the Respondent's five sales comparables and stated they were substantially smaller (less than 20% to less than 40% of the size of the subject property) and had not been adjusted for the economies of scale. He also outlined a number of other

characteristics of the five sales, both positive and negative, that indicated the Respondents sales were either not at all comparable to the subject or were very poor comparables.

[12] The Complainant concluded his rebuttal by stating that the Respondent's sale comparable #5 was the most comparable to the subject and also supported the Complainant's request for a reduction to $190.00/ sq ft.

Position Of The Respondent

[13] In support of the assessment, the Respondent presented five sales comparables of retail/ condominium properties. Two are located in or near the Downtown District; two in the Westmount District within the same building; and one in t he Central McDougall District of the City of Edmonton. The Respondent argued that two of the sales were very close to the subject property and that even with accounting for economy of scale for the smaller size of the comparables, the assessment is reasonable.

[14] The sales comparables ranged in year built from 1954 to 2003. The subject property was built in 1981. They ranged in size from 470 square feet to 1110 square feet with an average size of 858 square feet compared to the subject property which is 2,541square feet.

[15] The time adjusted sale price for the comparables ranged from $193.91/square foot to $437.77/square foot for an average price per square foot of $299.85 compared to the 2012 assessment of the subject property at $246.16/ square foot.

[16] In support of the argument to confirm the 2012 assessment of the subject property at $625,500 ($246.16/square foot), the Respondent also entered into evidence a recent CARB decision (Exhibit R-1, p.33-37) for two properties located in the same building as the subject property.

Decision

[17] The 2012 assessment of the subject property is confirmed at $625,500.

Reasons For The Decision

[18] The Board considered all of the evidence and argument. The Board finds that, overall, the Complainant's sales comparables are not comparable with the subject property.

[19] Comparables #1, #2 and # 3 are older, outside the Downtown District and larger than the subject property, As well they are two storey properties which negatively impacts the price per square foot.

[20] Comparable #4 is older, well outside the Downtown District, and larger than the subject property.

[21] Comparable #5 was not considered a good comparable as two properties were sold in this transaction. All of these five comparables are not condominium units as is the subject property.

[22] Comparable #6, while a condominium, is a second floor property which is not comparable to the main floor location for the subject property.

[23] Comparable # 7, while in the Downtown District, is in an inferior location to the subject property.

[24] The Board also considered five retail condominium sales comparables presented by the Respondent. The Board noted the arguments of the Complainant in rebuttal that Respondent's sales #1 and #2 were much smaller in size, and sales # 3 and #4 did not account for available parking which would negatively impact the price per square foot.

[25] The Board agreed with the Complainant's assertion that Respondent's sale # 4 was their best comparable but found that this sale is outside the Downtown District and is considerably smaller than the subject requiring an adjustment for size therefore gave this sale little weight.

[26] The Board found little in the evidence presented by either the Complainant or the Respondent to cause a change in the assessment of the subject property.

[27] The Board notes that it is the responsibility of the Complainant to demonstrate that the assessment is incorrect. The Board finds that the Complainant did not provide sufficient evidence to convince the Board that the assessment should be reduced therefore the 2012 assessment of the subject property is confirmed.

Dissenting Opinion

[28] There was no dissenting opinion.

Heard commencing July 23, 2012.
Dated this 3rd day of August, 2012, at the City of Edmonton, Alberta.

_____
Lynn Patrick, Presiding Officer

Appearances:

Stephen Cook, Colliers International Realty Advisors Inc.
Greg Jobagy, Colliers International Realty Advisors Inc.
for the Complainant

Chris Rumsey, Assessor, City of Edmonton
for the Respondent