

Edmonton Composite Assessment Review Board

Citation: Michele Warwa-Handel, APTAS v The City of Edmonton, 2013 ECARB 00806

Assessment Roll Number: 10057721

Municipal Address: 12232 156 STREET NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

Michele Warwa-Handel, APTAS

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Petra Hagemann, Presiding Officer

Pam Gill, Board Member

John Braim, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer, the parties before the Board indicated no objection to the Board's composition. In addition, the Board Members indicated no bias with respect to this file.

Preliminary Matters

[2] There were no preliminary matters brought before the Board.

Background

[3] The subject property is an industrial medium warehouse zoned IM, located in Hawin Park Estate Industrial subdivision at 12232 156 Street in the City of Edmonton. The lot at a 8.65 % site coverage ratio measures 595,410 square feet (sq ft) with a total building area of 61,659 sq ft including a 221 sq ft main floor office. The subject's effective year built is 1981, it is in average condition and assessed based on the sales comparison approach at \$8,847,500 or \$143.49/sq ft

Issue(s)

[4] Is the subject assessed correctly?

Legislation

[5] 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.

Position of the Complainant

[6] The Complainant presented written evidence (Exhibit C-1, 30 pages) and oral argument for the Board’s review and consideration.

[7] The Complainant submitted 4 sales (C-1, page 6) in support of requesting a reduction in the 2013 assessment, the average of which was a time adjusted sales price of \$93.53/sq ft.

[8] The Complainant also presented 4 equity comparables (C-1, page 20) that averaged \$96.03/sq ft. Adjustments to make each property more comparable to the subject resulted in a value of \$102/sq ft.

[9] Upon questioning, the Complainant submitted that the subject located on 156 Street, a major road also had access to the Yellowhead Trail.

[10] The Complainant argued that the excess land of the subject property was located in the rear and could not be subdivided and therefore should not be given the same value as other excess land which could be severed and sold separately.

[11] The Complainant agreed that both their sales and equity comparables suggest that the subject is over assessed and that an assessment of \$102/sq ft or \$6,288,000 would be fair and equitable.

Position of the Respondent

[12] The Respondent presented written evidence (Exhibit R-1, 77 pages) and oral argument for the Board's review and consideration.

[13] The Respondent submitted 6 sales (R-1, page 19) in support of the 2013 assessment of the subject. The first 5 time adjusted sale prices ranged from \$68.39/sq ft to \$85.41/sq ft. Sales 1 and 4 are located on a major road similar to the subject. The last sale was considered to be the most comparable to the subject by the Respondent and its time adjusted sale price is \$178.74/sq ft. The subject is assessed at \$143.49/sq ft.

[14] The Respondent led the Board through a hypothetical exercise of adjusting sales 1-5 (R-1, page 19) for excess land to bring site coverage ratio to typical (33%). The reason for this was that there were not many properties that are as large as the subject with its very low site coverage at 8.65%. Once the adjustments were made the adjusted sale prices ranged from \$164/sq ft to \$216/sq ft lending support to the subject's assessment.

[15] Excess land sales comparables (R-1, page 31) were provided to the Board, having a median time adjusted sale price of \$636,762/acre. This was the figure used in the land adjustment calculations (par 13).

[16] The Respondent also provided 9 equity comparables (R-1, page 36), which ranged from \$110/sq ft to \$157/sq ft, further supporting the assessment of the subject.

[17] The Respondent provided additional details on the Complainant's sales comparables (R-1, page 46-52). Sale # 1 had a purchase option that had been negotiated in 1997. Sale #3 was a duress sale. Sale #4 was a post facto sale and atypical since it was resold only two months later for \$5,375,000, \$1,875,000 higher than the original sale. The Respondent further referred to a sale provided by the Complainant (C-1, pg 17) but omitted on their chart (C-1, pg 6). This sale once adjusted for the excess land @ \$636,762 per acre, would have a time adjusted sales price of \$149.13/ sq ft and in fact supports the assessment of the subject

[18] The Respondent submitted that the Complainant had not met the onus of proving their case and that the Respondent's comparables supported the 2013 assessment at \$8,847,500.

Decision

[19] It is the decision of the Board to confirm the 2013 assessment at \$8,847,500.

Reasons for the Decision

[20] The Board placed little weight on the Complainant's sales comparables (C-1, page 6) for the reason outlined by the Respondent in paragraph 16. Sale #2 was the only sale considered, however the property was much smaller and older than the subject, and the site coverage ratio was almost double and therefore not comparable to the subject.

[21] The Board found that although the Complainant's equity comparables were of higher site coverage ratios than the subject, they were similar in age and location and suggested that the subject's assessment may be excessive.

[22] The Board did not find the Respondent's sales to be compelling. The first 5 sales had very high site coverage ratios, the lot sizes were quite a bit smaller and only two were in the same industrial group as the subject. The last sale although closest in size to the subject was in an inferior location and therefore not comparable.

[23] The Board is aware that the subject at 5% site coverage ratio had considerable excess land and it had been difficult to find comparable properties by both parties. The Board however did not agree with the methodology used by the Respondent to adjust the first 5 sales for excess land. It was a generalized approach and the Board therefore placed little weight on this evidence.

[24] The Board found the equity comparables used by the Respondent to be compelling, particularly comparables 1, 5, 7 and 9. The average of these comparables was \$134/sq ft and the median \$130/sq ft. The Board notes that the subject is in a superior location with access to Yellowhead Trail which would account for a somewhat higher assessment than the comparables.

[25] The Board placed most weight to the equity comparables provided by the Respondent and is of the opinion that the 2013 assessment at \$8,847,500 is fair and equitable.

Dissenting Opinion

[26] There was no dissenting opinion.

Heard commencing July 10, 2013.

Dated this 6th day of August, 2013, at the City of Edmonton, Alberta.



Petra Hagemann, Presiding Officer

Appearances:

Michele Warwa-Handel, APTAS
for the Complainant

Luis Delgado, Assessor
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..