

Edmonton Composite Assessment Review Board

Citation: Michele Warwa-Handel, APTAS v The City of Edmonton, 2013 ECARB 00809

Assessment Roll Number: 1525781

Municipal Address: 18004 107 AVENUE N W

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 a multi-tenant industrial medium warehouse zoned IM, located in Wilson Industrial subdivision at 18004 107 Avenue in the City of Edmonton. The lot at 30 % site coverage ratio measures 51,608 square feet (sq ft) with a total building area of 15,608 sq ft including a 7,804 sq ft main floor office. The subject's effective year built is 1996. It is in average condition and assessed based on the sales comparison approach at \$2,786,000 or \$178.50/sq ft.

Issue(s)

[4] Is the subject property assessed correctly when considering comparable sales?

[5] Is the subject assessed in a fair manner when comparing assessments of similar properties?

[6] Is the assessment of the subject correct based on the decision of the 2012 complaint?

Legislation

[7] **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

[8] The Complainant presented written evidence (Exhibit C-1, 42 pages; C-2, 33 pages and C-3, 15 pages) as well as oral argument for the Board’s review and consideration.

[9] The Complainant submitted the CARB decision (C-1, pages 10-13) on the subject property from the previous year and noted that the assessment was reduced to \$2,122,500.

[10] The Complainant provided the Board with 3 sales comparables (C-1, page 14) having made adjustments to make them more comparable to the subject. The adjusted sales comparables averaged \$127.13/sq ft compared to the subject’s assessment of \$178.50/sq ft.

[11] The Complainant presented 15 equity comparables (C-1, page 18) to the Board and stated that the first 4 comparables were most similar to the subject. The average assessment of these 4 comparables was \$127.49/sq ft.

[12] The Complainant provided the 2013 assessments of the Respondent’s equity comparables (C-1, page 31) used in a 2012 complaint on a different roll number. The average of these was \$144.56/sq ft.

[13] The Complainant included the 2013 assessments of the Respondent’s sales comparable submissions from 2012 (C-2, page 13); the average of these was \$158.76/sq ft.

[14] The 2013 assessments were also provided for the Respondent’s equity comparables (C-2, page 18) from the previous year’s complaint on the subject property. These averaged \$166.21/sq ft.

[15] Upon questioning the Complainant confirmed that the purpose of including Exhibit C-2 was to rebut any critique of comparables provided in C-1. The Complainant also confirmed that the Respondent was unable to present their evidence in C-2 to the Board in last year’s appeal.

[16] **In Rebuttal** (C-3) the Complainant provided the assessments of three of the Respondent's sales (C-3, page 2), the average of which is \$142.73/sq ft. The assessment for sale #3 was not provided as the property was assessed for land value only as the building was demolished soon after it was purchased.

[17] The Complainant submitted that based on the sales and equity comparables presented by them the subject is over assessed and requested the assessment be reduced to \$126.99/sq ft or \$1,982,089.

Position of the Respondent

[18] The Respondent presented written evidence (Exhibit R-1, 55 pages) and oral argument for the Board's review and consideration.

[19] The Respondent advised the Board that assessment is based on mass appraisal (R1, page 44) and focused on the factors affecting assessment (R-1, page 47).

[20] The Respondent submitted 4 sales comparables (R-1, page 14) in support of the assessment of the subject. The time adjusted sales prices ranged from \$127.49/sq ft to \$224.53/sq ft.

[21] The Respondent provided 6 equity comparables (R-1, page 19). Comparables 1, 2, 3 and 5 were the most similar to the subject and are located in the same industrial neighbourhood. The comparables ranged from \$143/sq ft to \$185/sq ft.

[22] The Respondent suggested that their sales and equity comparables support the subject's assessment at \$178/sq ft and therefore asked the Board confirm the 2013 assessment of the subject at \$2,786,000.

Decision

[23] It is the decision of the Board to reduce the 2013 assessment of the subject property from \$2,786,000 to \$2,528,496.

Reasons for the Decision

[24] The Board examined the Complainant's sales comparables (C-1, pg 14) and found them to be dissimilar to the subject in lot size and building area and therefore placed less weight on this evidence.

[25] The Board analyzed the Complainant's 15 equity comparables (C-1, pg 18) which suggested that the assessment of the subject may be excessive.

[26] The Board proceeded to review the Respondent's sales comparables however found these to be lacking in similarity. The fourth sale was common to both parties. Sale #3 was demolished soon after its purchase. Comparable #1 having a time adjusted sales price of \$177.32/sq ft is assessed in 2013 at \$126.70/sq ft. The Respondent's comparable #4 with a time adjusted sales price of \$127.49 has a 2013 assessment of \$110.58. This variance in the ASR further suggests that the assessment of the subject may be incorrect.

[27] The Board was most persuaded by the Respondent's equity comparables (R-1, pg 19) as well as the 2013 assessments of the sales presented in the Complainant's evidence. These had been produced by the Respondent to support the 2012 assessment of the subject (C-2, pg 14).


[28] The Board reviewed these equity comparables and found that an assessment of \$163/sq ft is fair and equitable and therefore reduces the 2013 assessment of the subject from \$2,786,000 to \$2,528,496.

Dissenting Opinion

[29] There was no dissenting opinion.

Heard commencing June 24, 2013.

Dated this 19th day of July, 2013, at the City of Edmonton, Alberta.


Petra Hagemann, Presiding Officer

Appearances:

Michele Warwa-Handel, APTAS
for the Complainant

Jason Baldwin, Assessor
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.