

## **Edmonton Composite Assessment Review Board**

**Citation: Michele Warwa-Handel, APTAS v The City of Edmonton, 2013 ECARB 00810**

**Assessment Roll Number:** 3821964

**Municipal Address:** 17804 106 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

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### **DECISION OF**

**Petra Hagemann, Presiding Officer**

**Pam Gill, Board Member**

**John Braim, Board Member**

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### **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.

### **Background**

[2] The subject property is a multi-tenant industrial medium warehouse zoned IB, located in Wilson Industrial subdivision at 17804 106 Avenue in the City of Edmonton. The lot at 36 % site coverage measures 55,384 sq ft (square feet) with a total building area of 20,133 sq ft including a 13,389 sq ft main floor office. The subject's effective year built is 1992, it is in average condition and assessed based on the sales comparison approach at \$3,118,000 or \$155.02 per sq ft.

### **Issue(s)**

- [3] Is the subject assessed in excess of its market value?
- [4] Is the subject assessed in a fair and equitable manner compared to similar properties?
- [5] Should the assessment of the subject be reduced based on last year's successful appeal?

## **Legislation**

### **[6] 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**

[7] To support a reduction in the 2013 assessment, the Complainant provided the Board with six comparable sales (C-1, pg 8) in the north-west area of the City. The building areas range from 23,750 to 75,777 compared to the subject's 20,113 sq ft; the site coverage ratios range from 24% to 50% compared to the subject's 36%; the time-adjusted sales prices vary from \$95.20 to \$132.00 with an average of \$110.70/sq ft. The average assessment of these sales is \$111.31. The Complainant adjusted these sales for their differences in age, site coverage, size and location. This only slightly changed the average assessment to \$110.69/sq ft. Based on this, the Complainant suggested the assessment of the subject at \$155.0/sq ft is excessive.

[8] The Complainant provided eleven equity comparables (C-1, pg 21) similar to the subject in location, site coverage, and age. The building sizes range from 18,766 sq ft to 54,127 sq ft and the assessments range from \$85.45 to \$147.45 with an average of \$112.9/sq ft further indicating that the assessment of the subject at \$155.02/sq ft is not fair and equitable.

[9] Additional support to reduce the assessment of the subject was provided (C-1, pg 33) by including equity comparables the City of Edmonton had provided for the 2012 assessment complaint of the subject property. These seven equity comparables showed an average assessment of \$144.50/sq ft.

[10] **In rebuttal** to the Respondent's sales evidence, the Complainant challenged the following (C-2, pg 3): Sale #2 located at 10805 120 St had an older 1977 building compared to the subject's which was built in 1992. The five sales had site coverage ranging from 19 to 50% which varied significantly from the subject's 36% site coverage. The Complainant provided the Board with the 2013 assessment of the five sales provided by the Respondent. These range from \$81.95 to \$164.91 with an average of \$118.70/sq ft.

[11] The Complainant also challenged the City's equity comparables (C-2, pg 9-19) pointing to differences in site coverage, ages and that some buildings were used for retail and a restaurant. Furthermore the Complainant indicated that some of these comparables were also owned and being appealed by the owner of the subject.

[12] Based on the above, the Complainant requests the Board reduce the 2013 assessment from \$3,118,000 to \$2,252,656.

### **Position of the Respondent**

[13] The Respondent submitted a brief (R-1) in support of the assessment of the subject including photos of the subject property, a detailed assessment report, five sales and ten equity comparables. The aerial photograph showed the subject to be located at the corner of 106 Avenue and 178 Street with access from both.

[14] The Respondent suggested that of the five comparable sales (R-1, pg 18), #1, located at 16821 107 Ave and #5, located at 10646 178 St were most similar to the subject. These had a time adjusted sales price of \$177.32/sq ft and \$127.49/sq ft respectively which supports the \$155.02/sq ft assessment of the subject.

[15] Of the ten equity comparables provided by the Respondent (R-1, pg 24), the first four were suggested to be the most comparable. Their assessments range from \$127 to \$169/sq ft indicating that the assessment of the subject is not only correct but also fair and equitable.

[16] The Respondent pointed out to the Board that the sale provided by the Complainant located at 10646 178 St has an incorrect building area (21,874 vs. 23,750), finished main floor area (3,475 vs. 5,700) and had finished mezzanine space of 2,322 sq ft which had been omitted altogether. Furthermore the effective year built was 1989 and not 1979. Comparable #3, located at 12150 160 St was a post facto sale and was resold within one month. This sale should have been included. Sale #6 at 11404 Winterburn Road is more than 3 times the size of the subject and therefore also not comparable.

[17] The Respondent suggested that both the City's sales and equity comparables suggest that the assessment of the subject is correct, fair and equitable and asked the Board to confirm the 2013 assessment.

### **Decision**

[18] The decision of the Board is to reduce the assessment of the subject property from \$3,118,000 to \$2,956,500.

### **Reasons for the Decision**

[19] The Board examined the Complainant's sales comparables (C-1, pg 8) and found them to be dissimilar to the subject in several attributes especially in lot size and building area and therefore placed less weight on this evidence.

[20] The Board analyzed the Complainant's eleven equity comparables (C-1, pg 21). Comparables three, seven and nine were most similar suggesting the assessment of the subject may be excessive.

[21] The Board was not persuaded by the Respondent's sales comparables #1 and #5 (R-1, pg 18) which the Respondent had indicated were the best of the five presented. 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 #5 with a time adjusted sales price of \$127.49 has a 2013 assessment of \$110.58. This variance in the ASR further raises a question as to the correctness of the assessment of the subject.

[22] The Board was most persuaded by the Respondent's first four equity comparables (R-1, pg 24) as well as the seven equity comparables presented by the Complainant which had been provided by the City to support the assessment of the subject in the 2012 complaint (C-1, pg 33). The 2013 assessments of these properties ranged from \$129 to \$155/sq ft.

[23] The Board reviewed the above 11 equity comparables (4+7) and found that they averaged \$146.5/sq ft and had a median of \$147/sq ft suggesting the assessment of the subject to be excessive.

[24] The Board finds that an assessment of \$147/sq ft is fair and equitable and therefore reduces the 2013 assessment of the subject from \$3,118,000 to \$2,956,500.

### **Dissenting Opinion**

[25] There were no dissenting opinions.

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

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.*