

Edmonton Composite Assessment Review Board

Citation: Jim Yang Professional Corporation v The City of Edmonton, 2013 ECARB 00818

Assessment Roll Number: 7091432

Municipal Address: 7607 104 STREET NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

Jim Yang Professional Corporation

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Shannon Boyer, Presiding Officer

Jack Jones, Board Member

Robert Kallir, 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.

Background

[2] The subject property is assessed as a commercial office / storage building located in the Strathcona Junction neighborhood. The building is in average condition and includes 2,310 square feet of office space and 1,310 square feet of storage / garage space. The subject property has been assessed utilizing the income approach to valuation.

Issue

[3] Is the 2013 assessment of the subject property at \$513,000 fair and equitable?

Legislation

[4] 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

[5] The Complainant presented evidence (C-1) and argument for the Board’s review and consideration.

[6] The Complainant indicated that the 2013 assessment of the subject property was too high based on an over-evaluation of the storage / garage component at \$8.00 per square foot. The Complainant argued that a valuation of \$5.00 per square foot for this building component would be more reasonable based on the space being unheated and being utilized primarily for staff parking.

[7] In support of a requested reduction to the 2013 assessment of the subject property the Complainant also presented the assessment details of the property next door (C-1, page 2) as well as the details of the sale of the same property in 2011 (C-1, pages 3 & 4).

[8] The Complainant further noted that the assessed valuation of a four car garage at \$135,000 was excessive when compared to underground parking stalls in the downtown area being assessed at between \$14,000 and \$17,000 per stall.

[9] In summary the Complainant requested the 2013 assessment of the subject property be reduced from \$513,000 to \$460,000.

Position of the Respondent

[10] The Respondent presented evidence (R-1) and argument for the Board's review and consideration.

[11] The Respondent outlined the methodology used to assess the subject property (R-1, page 9) indicating that the office and storage components were valued at lease rates of \$13.50 and \$8.00 per square foot respectively along with a vacancy rate of 5% and a cap rate of 7%.

[12] In support of the rate components utilized in the 2013 assessment the Respondent presented lease comparables (R-1, pages 15 & 16), sales cap rate comparables (R-1, page 17) and equity cap rate comparables (R-1, pages 19 to 25).

[13] The Respondent advised that the garage area of the subject property is classified the same as warehouse space as they are similar in nature and since little rental information is available, all garages in the retail inventory are treated in this manner (R-1, page 26).

[14] During questioning from the Board the Respondent advised that typical parkade assessment rates were \$2.50 per square foot for heated parking and \$1.50 per square foot for unheated.

[15] In summary the Respondent requested the 2013 assessment of the subject property be confirmed at \$513,000.

Decision

[16] The decision of the Board is to reduce the 2013 assessment of the subject property from \$513,000 to \$463,500.

Reasons for the Decision

[17] After review and consideration of the evidence and argument presented by both parties the Board determined that the 2013 assessment of the subject property at \$513,000 was not appropriate.

[18] The Board placed greatest weight on the Complainant's argument that the garage portion of the subject property was in fact being utilized primarily as staff parking and was not being utilized in a traditional warehouse manner.

[19] The Board also noted that the equity comparables utilized by the Respondent (R-1, pages 21 to 25) included a variety of lease rates for basement storage space and upper floor office space ranging from \$1.50 to \$7.25 per square foot which brought the \$8.00 per square foot rate for garage / storage space utilized in the 2013 assessment of the subject property into question.

[20] The Board determined that an appropriate lease rate for the garage component of the facility is \$5.00 per square foot as requested by the Complainant.

[21] In determining the revised 2013 assessment of the subject property the Board utilized the data in the Respondent's Income Detail Report (R-1, page 9) and substituted a \$5.00 per square foot rate for the \$8.00 per square foot rate noted for the storage area.

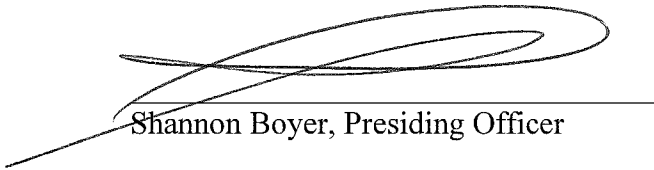
[22] The Board finds that the revised 2013 assessment of the subject property at \$463,500 is fair and equitable.

Dissenting Opinion

[23] There was no dissenting opinion.

Heard on June 25, 2013.

Dated this 4th day of July, 2013, at the City of Edmonton, Alberta.



Shannon Boyer, Presiding Officer

Appearances:

Jim Yang
for the Complainant

Chelsea Bradshaw, City of Edmonton
Ryan Heit, City of Edmonton
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.