

Edmonton Composite Assessment Review Board

Citation: Colliers International Realty Advisors Inc v The City of Edmonton, 2013 ECARB 01249

Assessment Roll Number: 4299574

Municipal Address: 1 6803 118 AVENUE NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

Colliers International Realty Advisors Inc

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Larry Loven, Presiding Officer
James Wall, Board Member
Randy Townsend, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer, the parties indicated that they had no objection to the composition of the Board. In addition, the Board members indicated that they had no bias in this matter.

[2] The parties requested that argument and evidence be carried forward from roll number 4071122 to this roll number 4299574, where applicable.

Background

[3] The subject property is large warehouse of 93,730 square feet on 5.997 acres, zoned IB and constructed in 1979.

Issue(s)

[4] Is the 2013 assessment of the subject property fair and equitable?

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 a 15 page brief marked Exhibit C-1 ("C-1"), containing an assessment summary, property data, assessment and valuation and appendices.

[7] The Complainant corrected the property data (C-1, p. 3) to the municipal address and roll number.

[8] The Complainant stated that the assessment of the subject property increased 7.9% from 2012 to 2013. The Complainant proposed an assessment of \$7,967,000 based on its opinion to be fair and equitable.

[9] The Complainant calculated the per square foot assessment of the subject property to be \$91.30 (C-1, p. 5) and presented the Direct Comparison Approach as the relevant method of valuing the subject property.

[10] The Complainant provided a table containing four sales comparables ranging in year of construction from 1966 to 1978, net leasable area from 38% to 58% and time adjusted sale price per square foot from \$58.12 to \$87.09 compared to the subject property (C-1, p. 6).

[11] The Complainant provided a second table containing three equity comparables; two of the equity comparables were also given as sales comparables, showing assessment per square foot ranging from \$64.74 to \$79.41 (C-1, p. 6).

[12] From the sales comparables, the Complainant concludes the 2013 assessment of the subject property is incorrect, and from the equity comparable the market value in the range of \$85.00 per square foot, resulting in a Market Value of \$7,967,000 (C-1, p. 6).

Position of the Respondent

[13] The Respondent presented a 63 page document, marked Exhibit R-1 ("R-1"), containing a testimonial statement, complaint issues, non-residential and land briefs, maps, pictures, profile report, comparable sales, equity comparables, additional evidence, conclusion and law brief.

[14] On the profile report, or direct sales detail report (R-1, p. 29), the Respondent noted the effective year built as 1984 and site coverage a 36%.

[15] The Respondent provided a table containing four sales comparables ranging in effective age from 1977 to 2008, site coverage from 34% to 46%, total main floor area from 63,093 to 135,566 square feet, upper finished area from 5,621 to 24,638 square feet, and time adjusted sales prices for total building area from \$88.05 to \$140.09 per square foot. (R-1, p. 29)

[16] The Respondent highlighted that sales comparables #2 and #4 required an upward adjustment and sales comparables #1 and #3 required a downward adjustment, and noted one of their sales comparables located at 17915 118th Avenue was also presented by the Complainant (R-1, p. 29).

[17] The Respondent further provided five equity comparables all located in the northwest industrial groupings, with effective year built ranging from 1978 to 1990, site coverage from 33% to 41%, total main floor area from 65,398 to 82,713 square feet, and assessment per square foot ranging from \$85.68 to \$92.79. The Respondent highlighted that equity comparables #3, #4 and #5 require upward adjustments (R-1, p. 34).

Decision

[18] It is the decision of the Board to confirm the 2013 assessment of the subject property at \$8,558,000.

Reasons for the Decision

[19] The Board finds the Complainant's five sales comparables have from 20,000 less to 43,000 more; net leasable area, from 2% to 22% greater site coverage; time adjusted sale price per square foot from \$4 to \$33 lower; and, effective year built from 6 to 18 years older than the subject property.

[20] The Board finds the assessment of the two sales comparables also presented by the Complainant as equity comparables having time adjusted sale price per square foot of \$80.45 and \$87.09 have assessments per square foot of \$79.41 and \$64.74 respectively, support in equity, the assessment of the subject property.

[21] The Board finds the Respondent's sales comparables varied from the subject property in site coverage from 2% less to 10% greater; six years older to 24 years newer; total main floor area from 30,000 square feet less to 42,000 square feet more; main floor office from similar size to almost 20,000 greater and time adjusted sale price from \$3 less to almost \$50 more.

[22] Based on its consideration of the sales comparables presented, the Board finds the sales comparables presented by the Respondent more closely matches the factors affecting value in terms of site coverage and main floor office.

[23] The sales comparable located at 17915 118th Avenue presented by both parties showed a time adjusted sale price per square foot of \$87.09 as calculated by the Complainant and \$88.05 as calculated by the Respondent. This variance appears to be based on the Complainant's net leasable area of 137,062 square feet versus the Respondent's total main floor area of 135,566 square feet. The Board accepts the Respondent's statement that this comparable requires an upward adjustment due to its higher site coverage and inferior location compared to the subject


property and provides a strong indication to Board of the potential per square foot value of the subject property.

[24] The Board finds the Complainant's equity comparables to have from 2% to 29% greater site coverage and from 9,000 square feet less to 43,000 square feet more main floor area than the subject property. Whereas, the Respondent's equity comparables have site coverage ranging from the same as the subject to 5% greater, total main floor area from almost 20,000 to 30,000 square feet less; main floor finished area is from similar to more than double, same to inferior location, assessment per square foot from \$6 to less to \$1 more, better supporting the assessment of the subject property in equity.

[25] The Board finds the Respondent's equity comparables to more closely match the subject property in terms of site coverage, location, main floor finish and assessment per square foot.

Heard commencing August 29, 2013.

Dated this 27th day of September, 2013, at the City of Edmonton, Alberta.


Larry Loven, Presiding Officer

Appearances:

Stephen Cook
for the Complainant

Marcia Barker
Michael Johnson
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.