

Edmonton Composite Assessment Review Board

Citation: Colliers International Realty Advisors Inc v The City of Edmonton, 2013 ECARB 01270

Assessment Roll Number: 10042714

Municipal Address: 11404 Winterburn Road 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

Dean Sanduga, Presiding Officer

Brian Frost, Board Member

Robert Kallir, Board Member

Procedural Matters

[1] The parties stated that they had no objection to the composition of the Board. The Board members stated that they had no bias with respect to this complaint

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property is an industrial warehouse located in Winterburn Industrial Area. It has three buildings two of which were constructed in 2004 and one in 2007. Building 1 comprises 45,951 square feet, of which 11,833 square feet is main floor office space and 9,071 square foot is finished mezzanine. Building 2 comprises 26,157 square feet, of which 10,191 square feet is main floor office space and 927 square feet is finished mezzanine. Building 3 comprises 3,200 square feet of main floor space. The lot size is 273,282 square feet with site coverage of 23%. For the 2013 assessment, the subject has been valued by the direct sales approach resulting in a value of \$7,400,500 or \$98.27 per square foot.

Issue(s)

[4] Is the 2013 assessment of the subject property too high?

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 provided a thirteen page brief (Exhibit C-1), and an eight page Rebuttal (Exhibit C-2), arguing that the 2013 assessment of the subject property at \$7,400,500 or \$98.27 per square foot was too high. The Complainant stated that a fair market value of \$90.00 per square foot should be applied to the subject (Exhibit C-1, page 5).

[7] The Complainant stated the assessment of the subject property has increased from \$7,158,500 in 2012 to \$7,400,500 in 2013, being an increase of 3.4% (Exhibit C-1, page 2).

[8] The subject property sold in January 2012 for \$8 million in an arm’s length sale transaction (Exhibit C-1 page 3). The sale transaction of the subject property was part of a sale of a portfolio of properties. No further evidence of allocation of price among the portfolio properties was provided.

[9] In support of his request for a reduced assessment, the Complainant submitted three sales comparables of similar properties located in Northwest Edmonton. The sales occurred between March 2011 and November 2011. The time adjusted sale prices ranged from \$63.64 per square foot to \$87.09 per square foot, with an average of \$76.93 per square foot. (Exhibit C-1, page 4). The properties ranged in size from 84,854 square feet to 137,062 square feet and were zoned IM and IB. The year of construction of the comparables ranged from 1976 to 1978 and the site coverage ranged from 38% to 65%.

[10] The Complainant submitted a rebuttal document (Exhibit C-2) challenging the appropriateness of the Respondent’s sale comparables. The Complainant stated that three of the comparables were single building properties and one was a two building property while the subject is a three building property (one of which was a cost building). The Complainant also stated that only one of the Respondent’s sale comparables were located in the Winterburn area.

[11] In dealing with the Respondent's equity comparables, the Complainant noted that equity comparable number two was located on the Yellowhead Trail and equity comparable number 3 was an automobile dealership located in Northwest Edmonton (Exhibit C-2, pages 4-6).

[12] In conclusion, the Complainant requested that the Board reduce the 2013 assessment of the subject property from \$7,400,500 to \$6,777,500 based on \$90.00 per square foot.

Position of the Respondent

[13] The Respondent submitted a 53 page brief, (Exhibit R-1), arguing that the 2013 assessment of the subject property, at \$7,400,500, is fair and equitable.

[14] The Respondent's stated that each year's assessment is independent of the previous year's assessment.

[15] In support of their position, the Respondent submitted four sale comparables, three of which are located in North West Edmonton and one in Winterburn. Comparables # 1, 2 and 3 are single building properties while comparable number 4 is a two-building property. The sales occurred between February 27, 2009 and November 4, 2009 for time-adjusted prices ranging from \$103.77 per square foot to \$195.13 per square foot. The Comparables ranged in size from 27,800 square feet to 118,800 square feet. The site coverage of the subject is 23% while the comparables range from 20% to 34% (Exhibit R-1, page 15).

[16] The Respondent submitted three equity comparables (Exhibit R-1, page 26), two of which are located in North West Edmonton. The effective year built ranges from 1984 to 2010.

[17] The Respondent stated that Complainant's comparable sales were dissimilar to the subject property in that none were three building properties; one of the comparables was a one building property; one of the comparables was a two building property; one of the comparables was a property with one very small second building. The subject property is a three building property with one of the three buildings being a cost building

[18] In conclusion, the Respondent requested that the Board confirm the 2013 assessment of the subject property at \$7,400,500.

Decision

[19] The decision of the Board is to confirm the 2013 assessment of \$7,400,500 or \$98.27 per square foot.

Reasons for the Decision

[20] The Board was not persuaded by the Complainant's argument that this year's assessment reflected an excessive increase over the 2012 assessment. The Board was satisfied with the Respondent's argument that each year's assessment is independent of the previous year's assessment.

[21] The Board considered the Complainant's evidence as it related to market value. The Board noted that the Complainant's comparable sales were dissimilar to the subject property in that none were three building properties; one of the comparables was a one building property; one of the comparables was a two building property; one of the comparables was a property with

one very small second building. The subject property is a three building property with one of the buildings being a cost building.

[22] The Board place less weight on two of the three equity comparables presented by the Respondent because they are located in North West Edmonton.

[23] The subject property was sold in an arm's length sale in January 2012. However, the sale transaction of the subject property was part of a sale of a portfolio of properties. No further evidence of allocation of price among the portfolio properties was provided.

[24] The Complainant provided no evidence other than opinion as to how the requested value of \$90.00 per square foot had been determined.

[25] The Board notes that the onus is on the Complainant to prove the assessment is incorrect, and further notes that the comparables provided by both parties were not conclusive in determining market value of the subject property. The Complainant was not able to meet the onus of providing satisfactory evidence to alter the assessment on the subject property.

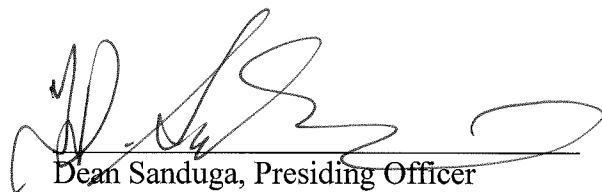
[26] Based upon the evidence presented the Board confirms the 2013 assessment of the subject property at \$7,400,500.

Dissenting Opinion

[27] There was no dissenting opinion.

Heard on September 5, 2013.

Dated this 25th day of September, 2013, at the City of Edmonton, Alberta.



Dean Sanduga, Presiding Officer

Appearances:

Stephen Cook
for the Complainant

Joel Schmaus
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.