

NOTICE OF DECISION NO. 0098 31/12

CVG
1200-10665 Jasper Avenue
Edmonton, AB T5J 3S9

The City of Edmonton
Assessment and Taxation Branch
600 Chancery Hall
3 Sir Winston Churchill Square
Edmonton AB T5J 2C3

This is a decision of the Composite Assessment Review Board (The Board) from a hearing held on June 27, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1550359	10503 170 Street NW	Plan: 1844TR Block: 2 Lot: 8	\$15,043,500	Annual New	2012

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.

cc: Mayfield Business Centre Ltd.

Edmonton Composite Assessment Review Board (The Board)

Citation: CVG v The City of Edmonton, 2012 ECARB 2162

Assessment Roll Number: 1550359
Municipal Address: 10503 170 Street NW
Assessment Year: 2012
Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Hatem Naboulsi, Presiding Officer
James Wall, Board Member
Brian Hetherington, Board Member

Preliminary Matters

[1] The parties indicated that they had no objection to the composition of the Board. Each of the Board Members indicated that they had no bias with respect to the matter being considered.

Background

[2] The subject property is a commercial complex located on the east side of 170 Street, between 104 and 105 Avenues and is known as Mayfield Business Centre. It comprises two warehouse buildings and a four-storey office tower, occupying a total of 100,083 square feet of space. The two warehouse buildings, of similar size, occupy a total of 45,651 square feet, while the office building space totals 54,432 square feet.

Issue

[3] At the outset of the hearing the Complainant informed the Board that, despite the initial complaint form listing numerous complaints about the assessments of both the warehouse buildings and the office tower, the only issue to be addressed by the Board would be:

Should the warehouse portion of the assessment be reduced from \$5,884,000 to \$4,108,590?

Legislation

[4] The Municipal Government Act reads:

Municipal Government Act, RSA 2000, c M-26

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 a 34-page package to the Board (C-1), which included information on sales and assessments on 12 combined office and warehouse sales in the vicinity of the subject property. The sales took place between January 2008 and November 2011. Also presented was a Composite Assessment Review Board (CARB) decision from November, 2011 on the subject property.

[6] The 12 properties were located within a radius of roughly 25 blocks, while their sizes ranged from 22,323 square feet to 69,209 square feet, compared to the subject property's total size of 45,651 square feet. The ages of the comparable properties ranged from a year built of 1961 to 1997, while the subject property had been built in 1989. The site coverages of the comparable properties range between 18 and 53%, while the subject property occupies 33% of its site.

[7] The time-adjusted sales prices for the 12 sales comparable properties ranged from \$56.09 to \$95.19 per square foot, and the City's assessments ranged from \$60.47 to \$128.47 per square foot. While the Complainant said that he was unable to obtain the assessment of one of the properties, he told the Board that the average of the assessments was calculated at \$85.02, which compared negatively to the City's assessment of the subject property at \$128.89 per square foot.

[8] In support of his request to the Board, the Complainant explained that his sales comparables # 3,8,9 and 10 were the most comparable to the subject.

[9] The Complainant also presented a Rebuttal document (C-2), which contained the assessments of the five sales comparables presented by the Respondent.

[10] In support of his request for a reduction in the assessment of the warehouses portion of the property the Complainant presented the Board with the CARB decision of November, 2011 on the subject property, which had reduced the assessment of the warehouse portions of the property for 2011 from \$6,005,000 to \$4,640,500.

Position of the Respondent

[11] In support of the assessment, the Respondent presented the Board with an 84-page document (R-1), which included an analysis of the Complainant's sales comparables (R1 – page 13) and five sales comparables provided by the City (R1- page 14). This latter chart included two sales comparables also presented by the Complainant.

[12] The years in which the comparable properties were built, ranged from 1959 to 1987, while the subject property was built in 1989.

[13] The sizes ranged from 10,050 square feet to 66,812 square feet, while the time-adjusted sale prices ranged from \$70.01 per square foot to \$189.12 per square foot and the site coverage ranged from 24% to 51%.

[14] The Respondent also presented a chart of seven equity comparables, built between 1980 and 1999, with sizes ranging from 22,417 to 48,212 square feet.

[15] The site coverage of these equity comparables ranged from 28% to 38%, while the assessments per square foot ranged from \$120.11 to \$148.62 per square foot.

[16] The Respondent urged the Board not to put any weight on the CARB decision presented by the Complainant, as the decision had been made based on one sale, which had not been presented this year by either party.

Decision

[17] The decision of the Board is to confirm the assessment of the two warehouses and the office building for a total assessment of \$15,043,500.

Reasons for the Decision

[18] The onus of proof to alter an assessment rests with the Complainant to provide sufficient and compelling evidence to show why the assessment was not justified. The Complainant failed to do so in this case.

[19] The Board notes a lack of adjustments made by the Complainant in the analysis of the 12 sales comparables he provided to the Board. Specifically, the site coverage of the subject property was 33%, while the comparables ranged from 18% - 53%, yet no adjustments to account for the differences were undertaken. In addition, no adjustments were made to reflect the age differences between the subject property and the sales comparables. The Board finds that the lack of adjustments in the sales comparables presented by the Complainant lessens their reliability in proving the assessment is incorrect.

[20] The equity information presented to the Board by the Complainant was related to the same 12 sales comparables and also lacked any adjustments for age, site coverage, existing mezzanine areas, improvement sizes and locations.

[21] The Complainant, in his Rebuttal (C2-page 1), provided the Board with assessment information on the Respondent's sales comparables, suggesting a range of \$82.53 per square foot to \$142.85 per square foot, with an average of \$110.44 per square foot. However, regardless of whether these sales comparables are used as sales comparables or equity comparables, the Board

finds these comparables to be unreliable due to their wide range of time-adjusted sales prices, sizes and site coverage.

[22] The Board finds the Respondent's equity comparables (R-1 – page 21) with a range of \$120.11 per square foot to \$148.02 per square foot offer good evidence to support the subject property's assessment. The Board notes these equity comparables relate favourably to the subject property's location, age, site coverage and size.

[23] The Board reviewed the decision of the CARB related to the 2011 assessment of the subject property, which provided a 9.5% reduction of the total assessment of the subject property. The Board places no weight on this decision as each year's assessment is separate and distinct from the prior year's assessment. In addition, the main sale relied upon by both parties in the 2011 hearing was not presented by either party to the current hearing.

Dissenting Opinion

[24] There was no dissenting opinion.

Heard commencing June 27, 2012.

Dated this 29 day of June, 2012, at the City of Edmonton, Alberta.

Hatem Naboulsi, Presiding Officer

Appearances:

Tom Janzen
for the Complainant

Bonnie Lantz, Assessor
Tracy Ryan, Assessor
for the Respondent