

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2012 ECARB 1638**

**Assessment Roll Number:** 2194504  
**Municipal Address:** 14520 118 Avenue NW  
**Assessment Year:** 2012  
**Assessment Type:** Annual New

Between:

**CVG**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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**DECISION OF**  
**Robert Mowbrey, Presiding Officer**  
**Jack Jones, Board Member**  
**Pam Gill, Board Member**

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### **Preliminary Matters**

[1] Each of the parties stated that they had no objection to the composition of the Board. Each Board Member indicated that they had no bias with respect to this matter.

[2] The parties indicated that they would be carrying forward evidence from roll number 1533306.

### **Background**

[3] The subject property is an office/warehouse building located the Dominion Industrial neighbourhood. The building contains 12,749 sq. ft., of which 600 sq. ft. is mezzanine area, and 3,800 sq. ft. of main floor office space. Assessed in fair condition, the subject was built in 1965 and has 43% site coverage. The 2012 assessment, of \$1,170,000, was prepared using the direct sales approach to valuation.

## **Issue**

[4] The original complaint form listed a number of issues, however at the hearing the Complainant noted the only remaining issue before the Board was as follows:

Is the 2012 assessment of the subject property at \$1,170,000 correct?

## **Legislation**

[5] The Municipal Government Act reads:

### ***Municipal Government Act, RSA 2000, c M-26***

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 evidence (C-1) and argument for the Board’s review and consideration.

[7] In support of a requested valuation for the subject property of \$85.00 per square foot, the Complainant presented twelve time adjusted sales comparables (C-1, page 1) which ranged in value from \$70.29 to \$131.33 per square foot and in site coverage from 12 to 50%. The subject property is assessed at \$91.77 per square foot, with site coverage of 43%. The Complainant noted that the time adjustments were made based on the factors utilized by the City of Edmonton (C-1, page 6).

[8] The Complainant indicated that the best comparables were #2, 3, 4, 6 & 7 with respect to size, site coverage and proximity to the subject property. The Complainant noted that the subject property was zoned IM (Medium Industrial) which presented limitations with respect to potential future development.

[9] The Complainant referenced a CARB decision from 2011 (C-1, pages 3 to 5) which reduced the 2011 assessment of the subject property to \$85.00 per square foot. The Complainant

argued that since the time adjustment chart (C-1, page 6) indicated no change in market value over the past year that the same valuation should apply for 2012.

[10] The Complainant noted that two of the Respondent's equity comparables (R-1, page 26) were also in the same fair condition as the subject property. These supported the Complainant's requested reduction to \$85.00 per square foot.

[11] In summary, the Complainant requested the 2012 assessment of the subject property be reduced from \$1,170,000 to \$1,084,000

### **Position of the Respondent**

[12] The Respondent presented evidence (R-1 & R-2) and argument for the Board's review and consideration.

[13] The Respondent presented five time adjusted sales comparables (R-1, page 18) in support of the 2012 assessment of the subject property. The subject was assessed at \$91.79 per square foot, with site coverage of 43%. The value of the comparables presented ranged from \$72.41 to \$130.29 per square foot and the site coverage ranged from 41% to 56%.

[14] The Respondent also presented 13 equity comparables (R-1, page 26) in support of the 2012 assessment. The value of the equity comparables presented ranged from \$85.46 to \$98.52 per square foot and the site coverage ranged from 38% to 60%.

[15] The Respondent further presented a critique of the Complainant's sales comparables (R-1, page 27) which questioned the validity of comparables # 3, 7, 8, 10 & 12.

[16] In response to the Complainant's reference to a 2011 CARB decision for the subject property the Respondent noted that "each assessment is independent of the previous year's assessment because it is based on the market value at the valuation date, and not on the previous year's assessment value" (R-2, page 34).

[17] In summary the Respondent requested the 2012 assessment of the subject property be confirmed at \$1,170,000.

### **Decision**

[18] The decision of the Board is to reduce the 2012 assessment of the subject property from \$1,170,000 to \$1,084,000.

### **Reasons for the Decision**

[19] After reviewing the evidence and argument presented by both parties the Board determined the 2012 assessment of the subject property at \$1,170,000 was not appropriate.

[20] The Board placed greatest weight on the common sales comparables presented by both the Complainant (C-1, page 1, #1 & #9) and the Respondent (R-1, page 20, #2 & #4) which were similar to the subject property with respect to age, size, location and site coverage and supported the unit valuation requested by the Complainant. The average unit value of these sales comparables was \$73.01 per square foot, compared to the subject property's assessed value of \$91.79 per square foot.

[21] The Board also placed weight on the equity comparables presented by the Respondent (R-1, page 26). The two comparables (#1 & 3) that are in the same 'fair' condition as the subject property averaged \$86.48 per square foot and supported the unit valuation requested by the Complainant.

[22] In reviewing the sales comparables presented by the Respondent (R-1, page 20), the Board noted that when sale #3 was removed as an outlier, the average of the remaining four comparables, \$82.37 per square foot, also supported the unit valuation requested by the Complainant.

[23] The Board derived the revised 2012 assessment of the subject property by applying a unit value of \$85.00 per square foot to the building area of 12,749 square feet.

[24] The Board finds that the revised 2012 assessment of the subject property at \$1,084,000 is fair and equitable.

### **Dissenting Opinion**

[25] There was no dissenting opinion.

Heard commencing October 11, 2012.

Dated this 22 day of October, 2012, at the City of Edmonton, Alberta.

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Robert Mowbrey, Presiding Officer

### **Appearances:**

Peter Smith  
for the Complainant

Suzanne Magdiak  
for the Respondent

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*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.*