

## **Edmonton Composite Assessment Review Board**

**Citation: Gregg Properties Co. Ltd. c/o CVG v The City of Edmonton, 2012 ECARB 1795**

**Assessment Roll Number:** 9562893

**Municipal Address:** 3611 76 AVENUE NW

**Assessment Year:** 2012

**Assessment Type:** Annual New

Between:

**CVG Canadian Valuation Group, Agent**

Complainant

and

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

Respondent

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### **DECISION OF**

**Don Marchand, Presiding Officer**

**Darryl Menzak, Board Member**

**Judy Shewchuk, Board Member**

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### **Preliminary Matters**

[1] Each of the Board members indicated that they had no bias with respect to this complaint, as well; both parties indicated that they had no objection to the composition of the panel.

[2] Each of the parties was sworn in prior to giving evidence.

[3] The Parties indicated that the evidence presented respecting this complaint was very similar to roll 8991804 (citation: 2012 ECARB 1796). Accordingly, they advised that a large percentage of the evidence would be carried forward to this hearing.

### **Background**

[4] The subject property is an office/warehouse complex located in the Weir Industrial area of Edmonton. The site area of the parcel is 1.831 acres with site coverage of 32%. The assessment summary identifies 25,720 sq. ft. of building space with a year built of 1982.

### **Issue(s)**

[5] Is the 2012 assessment of \$2,931,500 correct?

## **Legislation**

[6] The Board's jurisdiction is within the ***Municipal Government Act, RSA 2000, c M-26*** [MGA]:

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.

[7] The Board gave consideration to the requirements of an assessment, contained in the MGA:

289(2) Each assessment must reflect

a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and

b) the valuation and other standards set out in the regulations for that property.

[8] The valuation standard is set out within the ***Matters Relating to Assessment and Taxation Regulation, Alta. Reg. 220/2004*** [MRAT]:

s 2 An assessment of property based on market value

a) must be prepared using mass appraisal,

b) must be an estimate of the value of the fee simple estate in the property, and

c) must reflect typical market conditions for properties similar to that property

[9] Market value is defined within the MGA as

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;

### **Position of the Complainant**

[10] The Complainant submitted a 15 page evidence package marked exhibit C-1.

[11] The Complainant presented seven sales comparables ranging in time adjusted sale price (TASP) from \$86.67 to \$110.58 per square foot.

[12] The Complainant submitted that he placed most weight on comparable #1 at 5725/33 – 92 Street, comparable #3 at 7703/15 – 69 Street, comparable #6 at 7603 McIntyre Road, and especially comparable #7 at 4115 – 101 Street with TASP of \$110.58, \$107.16, \$100.67 and \$86.67 respectively.

[13] The Complainant's 4 comparables identified above:

Comp #	Address	Eff. Year	Site Cov.	Total Main	TASP per sq ft	Assmt. per sq ft
Subj.	3611 – 76 ave	1982	32	25,720		\$113.98
1	5725/33-92 st	1971	37	15,002	\$110.58	
3	7703/15-69 st	1975	36	15,800	\$107.16	
6	7603 McIntyre rd	2001	25	44,000	\$100.57	
7	4115-101 st	1978	40	44,994	\$86.67	

[14] The Complainant argued that the Respondent's sales comparables were inappropriate with the exception of the property at 5803 – 90 Street; however, since that sale took place in 2008 it should be given little weight.

[15] The Complainant questioned the Respondent with respect to the amount of office space in some of his comparables determining that at least three had significantly more office space (31%, 36%, and 64%) than the subject which has approximately 11% office space.

[16] The Complainant asked the CARB to reduce the assessment to \$95.00 per square foot for a total of \$2,450,000.

### **Position of the Respondent**

[17] The Respondent submitted a 37 page assessment brief (exhibit R-1) and a 44 page law and legislation brief (exhibit R-2).

[18] The Respondent drew the CARB's and the Complainant's attention to the factors affecting value for the subject. The factors are: the location, the parcel size, the age, condition, and footprint of each building as well as the amount of main floor and upper area development, the upper space being at a lesser rate than the main.

[19] The Respondent presented eight sales comparables, all interior lots located in the southeast quadrant of the city, as is the subject.

[20] The Respondent's sales comparables:

#	Address	Eff Year	SC %	Total Main	Office Finish	Mezz Fin.	Total Area (incl. mezz.)	Off. %	TASP per sq ft
Subj .	3611 – 76 ave	1982	32	25,720	2,970			11.8%	\$113.98
1	9333-45 ave	1982	29	22,411	3,119	3,119	25,530	27.8%	\$127.94
2	9333-37 ave	1977	30	16,598	4,844	3,305	19,903	49.1%	\$141.09
3	5803-90 st	1983	33	14,483	2,021		14,483	14.0%	\$129.64
4	3120-93 st	1986	36	17,802	6,428		17,802	36.1%	\$129.20
5	4810-93 st	1974	25	27,750	17,648		27,750	63.6%	\$144.14
6	7324-76 ave	1976	37	15,089	4,140		15,089	27.4%	\$122.27
7	8210 McIntyre rd	1974	28	41,991	13,165		41,991	31.4%	\$109.55
8	9111-41 ave	1992	27	24,489	4,198	4,198	28,688	34.3%	\$124.36

[21] The Respondent argued that his sales comparables were stronger than the Complainant's. In particular, he stated that the Complainant's comparable at 7603 - McIntyre Road was much newer and larger than the subject. The Respondent also pointed out that the Complainant's comparable at 4115 – 101 Street was much larger with much higher site coverage.

[22] The Respondent also stated that the Complainant's comparables at 5725/33 – 92 Street and 7703/15 – 69 Street, at \$110.58 and \$107.16 per square foot respectively, both support the assessment of the subject.

### **Decision**

[23] The CARB confirms the 2012 assessment at \$2,931,500.

### **Reasons for the Decision**

[24] The CARB agrees with the Respondent's comments relative to the Complainant's comparable # 7 at 4115 – 101 Street. Upward adjustments for size and site coverage to this indicator, in order for it to be similar to the subject, are warranted.

[25] Two of the Complainant's best comparables support the assessment.

[26] The percentage of office space within the subject is less than the majority of the Respondent's comparables and all would require slight downward adjustments.

[27] In the absence of sufficient evidence for the requested reduction to \$95.00 per square foot the CARB accepts the assessment as reasonable. The assessment of the subject is below the average of the Respondent's 8 comparables.

[28] A combination of both Parties' evidence supports the assessment.

Heard commencing October 23, 2012.

Dated this 22<sup>nd</sup> day of November, 2012, at the City of Edmonton, Alberta.

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Don Marchand, Presiding Officer

**Appearances:**

Peter Smith, CVG

for the Complainant

Will Osborne, Assessor

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.*