

Edmonton Composite Assessment Review Board

Citation: Gregg Properties Co. Ltd. / CVG v The City of Edmonton, 2012 ECARB 1797

Assessment Roll Number: 1536408

Municipal Address: 15826 112 AVENUE NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

CVG Canadian Valuation Group, Agent for Gregg Properties Co. Ltd.

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Don Marchand, Presiding Officer

Darryl Menzak, Board Member

Judy Shewchuk, Board Member

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.

Background

[3] The subject property is a multi-tenant office/warehouse building, located in the Sheffield Industrial area of Edmonton. The site area of the parcel is 1.989 acres. The assessment summary identifies 29,398 sq. ft. of main floor building space with a year built of 1987 and site coverage of 34%. The 2012 assessment under complaint is \$2,924,500.

Issue(s)

[4] Is the 2012 assessment fair and equitable?

Legislation

[5] 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.

[6] 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.

[7] 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

[8] 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

[9] The Complainant submitted an evidence package of 28 pages marked exhibit C-1.

[10] The Complainant presented eleven sales comparables ranging in time adjusted sale price (TASP) from \$59.85 to \$96.31 per square foot and assessment from \$60.47 to \$95.78 per square foot. The Complainant placed most weight on comparables # 4 at 12930 – 148 Street, #5 at 14635 – 121A Avenue, #7 at 16440 – 130 Avenue, and #8 at 17407 – 106 Avenue.

[11] The Complainant's comparables considered to provide most weight for the request:

Comp #	Address	Eff. Year	Site Cov.	Total main area	Office Finish	TASP per sq ft	Assm't. per sq ft
4	12930 148 st	1972	34	44,119	Low	\$95.19	\$80.33
5	14635-121A ave	1965	33	41,349		\$61.67	\$79.86
7	16440-130 ave	1981	31	30,370	6,500	\$96.31	\$94.44
8	17407-106 ave	1977	37	46,294		\$76.68	\$75.72
Subj.	15826– 112 ave	1987	34	29,398	548		\$99.48

[12] In answer to the Respondent's questions the Complainant conceded that his comparable at 12930 – 148 Street was much larger and older than the subject; however, it was pointed out that the assessment of that comparable was a mere \$80.33 per square foot, significantly less than the requested \$90 per square foot.

[13] In response to the Respondent's questions about the Complainant's comparable at 14635– 121A Avenue the Complainant agreed that it was older and larger than the subject and stated that it would require an upward adjustment from its TASP of \$61.67.

[14] In response to CARB questions the Complainant stated that he placed most emphasis on site coverage.

[15] In response to the Respondent's equity comparables the Complainant pointed out that the property at 11350 – 182 Street was "vastly" superior to the subject as it was built in 2004 and had significantly more office space than the subject; therefore it was not an appropriate comparable.

[16] Based on the TASP and the assessments of the sales comparables, the Complainant asked the Board to reduce the 2012 assessment to \$90.00 per square foot or \$2,645,500.

Position of the Respondent

[17] The Respondent submitted an assessment brief of 31 pages marked exhibit R-1 and a law and legislation brief of 44 pages marked 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 four sales comparables ranging in TASP from \$89.41 to \$117.43 per square foot. Two of the comparables, at 16440 – 130 Avenue and at 11565 – 149 Street, were also presented by the Complainant.

[20] The following table identifies the Respondent's comparables:

Comp #	Address	Eff Year	Site Cov.	Total Main	Office Finish	Mezz Fin	Total Area (incl. mezz)	Office %	TASP per sq ft
1	10439-176 st	1992	24	32,354	3,700		32,354	11.4%	\$117.43
2	14440-123 ave	1967	19	27,179	6,249	5,517	32,695	43.3%	\$89.41
3	16440-130 ave	1980	31	30,752	6,157		30,752	20.0%	\$95.12
4	11565-149 st	1971	43	35,380	10,116		35,380	28.6%	\$93.27
Subj.	15826– 112 ave	1987	34	29,397	546		29,397		\$99.48

[21] The Respondent also presented nine equity comparables ranging in assessment from \$79.72 to \$138.30 per square foot. The average assessment per square foot of the nine equity comparables was \$97.00 with a median of \$92.45.

[22] The Respondent asserted that the assessment of the subject was within the range of TASP of his sales comparables and within the range of his equity comparable assessments. Therefore the Respondent asked the CARB to confirm the assessment of the subject at \$99.48 per square foot for a total of \$2,924,500.

[23] The Respondent argued that three of the Complainant's sales comparables were much larger and older than the subject. The only appropriate comparable situated at 16440 – 130 Avenue sold for a TASP of \$96.31 (according to the Complainant's evidence) or \$93.27 (according to the Respondent's evidence), thereby supporting the assessment at \$99.48 per square foot.

[24] The Respondent asserted that overall his sales and equity comparables are more appropriate than the Complainant's sales comparables and asked the CARB to confirm the assessment.

Decision

[25] The CARB confirms the 2012 assessment at \$2,924,500.

Reasons for the Decision

[26] Both Parties have identified the comparable property at 16640 – 130th Avenue as being quite similar to the subject. The Board focused its weight on this comparable as well. The comparable sold relatively close to the valuation date, is a few years older in age, it has 18% office additional office component, and similar site coverage. This comparable sold for \$2,925,000. Based on this common comparable the Board finds that there is insufficient evidence on which to base a revision.

[27] The remaining comparables presented by the Complainant are much older and considerably larger in size to the subject and are given less weight by the Board.

[28] The remaining comparables presented by the Respondent have site coverages that would necessitate relatively significant adjustments to equate to subject.

Heard commencing October 22, 2012.

Dated this 20th day of November, 2012, at the City of Edmonton, Alberta.

Don Marchand, Presiding Officer

Appearances:

Tom Janzen, CVG
for the Complainant

Luis Delgado, 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.