

Edmonton Composite Assessment Review Board

Citation: Gregg Properties Co. Ltd. c/o CVG v The City of Edmonton, 2012 ECARB 1799

Assessment Roll Number: 1612209

Municipal Address: 15704 121A 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

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.

[3] The Parties indicated that the evidence presented respecting this complaint was very similar to roll 10172560 (citation: 2012 ECARB 1554). Accordingly, they advised that a large percentage of the evidence would be carried forward to this hearing.

Background

[4] The subject property is a single tenant office/warehouse building, located in the Hawin Park Estate Industrial area of Edmonton. The site area of the parcel is 5.612 acres with site coverage of 35%. The assessment summary identifies 84,424 square feet of building space (including 764 square feet of main floor office space) with a year built of 1994.

Issue(s)

[5] Is the 2012 assessment of \$7,259,500 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 14-page evidence package marked exhibit C-1.

[11] The Complainant presented six sales comparables with time adjusted sale prices (TASP) ranging from \$59.85 to \$87.44 per square foot. The Complainant advised that most weight

should be placed on sales comparable # 1 at 11771 – 167 Street (TASP \$76.89), comparable # 2 at 11610 – 178 Street (TASP \$87.44), comparable # 3 at 11504 – 170 Street (TASP \$70.10), comparable # 4 at 11603 – 165 Street (TASP \$59.85), and comparable # 6 at 16815 – 117 Avenue (TASP \$63.64).

[12] The Complainant's 5 comparables identified above:

Comp #	Address	Eff. Year	Site Cov.	Total Main	TASP per sq. ft.	Assmt. per sq. ft.
Subj.	15704 121A ave	1994	35	84,424		\$85.99
1	11771-167 st	1978	42	70,567	\$76.89	
2	11610-178 st	1979	25	26,200	\$87.44	
3	11504-170 st.	1981	52	69,209	\$70.10	
4	11603-165 st	1989/06	42	54,555	\$59.85	
6	16815-117 ave	1976	58	84,854	\$63.64	

[13] The Complainant asked the CARB to reduce the assessment of the subject from \$85.99 to \$75.00 per square foot for a total of \$6,330,000.

[14] In response to the Respondent's questions the Complainant stated that he had not made adjustments for the larger amount of office space in the comparables at 11504 – 170 Street and 16815 – 117 Avenue.

Position of the Respondent

[15] The Respondent submitted a 29-page assessment brief marked exhibit R-1 and a 44-page law and legislation brief marked exhibit R-2.

[16] The Respondent presented five sales comparables, all but one on interior lots (as is the subject) and all but one in the northwest quadrant of the city (as is the subject). The TASP ranged from \$82.62 to \$139.31 per square foot.

[17] The Respondent's comparables.

	Address	Eff. Year	Site cov.	Total Main	Office Fin.	Mezz. Fin.	Total Area (incl. mezz.)	Off. Fin. %	TASP per sq. ft.
1	17404-111 Ave	2005	39	65,241	25,399	9,560	74,801	53.6	\$139.31
2	18403-104 Ave	2004	34	72,397	16,216	480	72,877	23.1	\$93.49
3	18507-104 Ave	2007	34	118,800	7,160		118,800	6.0	\$125.70
4	7612-17 St	1995/08	39	132,720	4,600		132,720	3.5	\$111.51
5	17915-118 Ave	1977	46	135,566	23,882		135,566	17.6	\$82.62
S	15704- 121A Ave	1994	35	84,424	784			.9	85.99

[18] In response to the Complainant's questions the Respondent conceded that the comparable at 17404 – 111 Avenue (TASP \$139.31) contained a much larger amount of office space than the subject; that the comparable at 18403 – 104 Avenue (TASP \$93.49) was a retail outlet with warehouse space; and that all of his comparables required a downward adjustment.

[19] The Respondent's questions regarding the Complainant's comparables being sold below market, being non-arms length sales, and requiring significant renovations were carried forward from roll 10172560 at hearing number 2012 ECARB 1554.

[20] In summary the Respondent pointed out that the Complainant's comparables were generally older and existed with higher site coverage. He stated that his comparables were superior to the Complainant's and asked the CARB to confirm the assessment

Decision

[21] The CARB confirms the 2012 assessment.

Reasons for the Decision

[22] The Complainant's comparables were not similar to the subject. The age, site coverage, and building sizes differ significantly from the subject. The sales comparables identified as #3 and #4, selling at \$5,000,000 and \$5,400,000 respectively, are inferior to the subject and offer an indication that the subject should market above these sales prices.

[23] The Respondent's comparable #2 is superior in its age and office finish component and a downward adjustment would be required to the indicated assessment of \$93.49.

[24] The remaining comparables provided by the Respondent are, in the opinion of the Board, comparables that all require downward adjustments to make them comparable to the subject. In doing so, the assessment of \$85.99 per sq. ft. for the subject appears to be reasonable. In the absence of evidence before the Board to consider a reduction, the Board confirms the assessment.

Heard commencing October 24, 2012.

Dated this 28th day of November, 2012, at the City of Edmonton, Alberta.

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.