

## **Edmonton Composite Assessment Review Board**

**Citation: London Life Insurance Company c/o CVG Canadian Valuation Group v The City of Edmonton, 2012 ECARB 1960**

**Assessment Roll Number:** 4076683  
**Municipal Address:** 13500 156 STREET 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**  
**John Braim, Board Member**  
**Lillian Lundgren, 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.

### **Background**

The subject property is an office/warehouse building, located in the Mistatim Industrial Neighbourhood. The parcel contains 21.561 acres. The assessment detail summary identifies 143,675 square feet of improvements used for manufacturing. The site coverage amounts to 15%. The subject property was assessed using the cost approach to value.

[3] The land component is valued at \$7,719,241 and the building component is at \$2,159,488. Only the market value of the land is in dispute. The 2012 assessment under complaint is \$9,878,500.

### **Issue(s)**

[4] Is the assessment of roll number 4076683 correct?

a. Is the land component for the subject correct?

## **Legislation**

[5] The valuation standard for the subject property is a per section 2 of the *Matters Relating to Assessment and Taxation Regulation, Alta. Reg. 220/2004* [MRAT]

2. An assessment of property based on market value

[6] Market value is defined within the *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;

[7] 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.

## **Position of the Complainant**

[8] The Complainant is requesting a land value of \$300,000 per acre. The land component is assessed at \$358,019 per acre.

[9] The Complainant advised that the subject is west of 156<sup>th</sup> Street in Mistatim and as such is lacking storm sewer servicing. The Complainant provided the subject’s annual realty assessment detail report showing an effective zoning for the subject as AGI – Industrial Reserve District and the actual zoning as IH – Heavy Industrial District.

[10] The Board was provided with data from 5 Network sales reports. The Complainant asked the Board to give most weight to the sales that have similar physical, location, and zoning characteristics to the subject. In this regard the Board was asked consider sale indicator #2 with a time adjusted sales price per acre of \$349,694 and sale indicator #4 with a time adjusted sales price per acre of \$210,027.

[11] The Complainant's Comparables:

Comp #	Address	Sale Date	Size (acres)	TASP/acre
1	6703 – 68 ave.	Aug 07	35.09	\$403,044
2*	54 <sup>th</sup> st./127 <sup>th</sup> ave.	Apr 08	23.52	<b>\$349,694</b>
3	33 <sup>rd</sup> st./137 <sup>th</sup> ave.	Dec 08	24.98	\$329,599
4*	8 <sup>th</sup> st./74 <sup>th</sup> ave.	Jun 10	14.88	<b>\$210,027</b>
5	5703 – 72A ave.	Aug 10	13.10	\$401,874
S	13500 – 156 <sup>th</sup> street	<b>Assm't</b>	21.56	\$358,019

\*Indicate comparables the Complainant considered as deserving most weight.

[12] It is the Complainant's opinion that these two indicators provide the best support for the \$300,000 per acre request. As a result the Complainant requested that the land component be reduced to \$6,467,300 and the total assessment be reduced to \$8,625,000.

### **Position of the Respondent**

[13] The Respondent provided the Board with data of 4 comparable sales in response to the request. Two of the four comparables were common to the Complainant's #1 and #5.

[14] The first common sale is identified as 6703-68 Avenue. It is an August 2007 sale of 35 acres for a time adjusted sales price of \$403, 044 per acre. The second common sale is identified as 5703/5615 – 72<sup>nd</sup> A Avenue. It is an August 2010 sale of 13.10 acres for a time adjusted sales price of \$401,874 per acre. The Respondent pointed out that this is one of the sales that the Complainant asked the Board to give weight as a good comparable.

[15] The remaining two respondent comparables required editing of mathematical errors at the hearing. The revised rates were adjusted to \$393,959 and \$330,275 respectively.

[16] The Respondent requested that the assessment be confirmed on the basis that the in-common sales data supports the assessment.

### **Decision**

[17] The land component valuation of \$7,719,241 is considered reasonable with the cost approach methodology and the total assessment is confirmed at \$9,878,500.

## **Reasons for the Decision**

[18] Both Parties have asked the Board to give consideration to the 2007 sales comparable indicating a rate of \$403,044 per acre. A downward adjustment is required to recognize the lack of storm sewer to the subject. The slight advantage that the Davis industrial location has relative to the subject. The Board received no specific unit of measure(s) to quantify these adjustments. A rate of \$25,000 per acre for the lack of storm sewer and a 5% - 10% adjustment for location were expressed as broad units of measure.

[19] The second comparable that both Parties asked the Board to give consideration to is the 2010 sale at 5615 – 72<sup>nd</sup> A Avenue. It is approximately half the size at 13.10 acres and also in the Davis industrial location. The Board was not provided with a measure of the parcel size relationship between the subject at 21.56 acres and this sale with 13.10 acres. The economy of scale principle may reasonably apply. The assessment rate is below the rate indicated by this comparable.

[20] The Board considers the Complainant's comparable # 2 at 54<sup>th</sup> St. /127<sup>th</sup> Ave. to be inferior to the subject. It's location in Kennedale is not within a design industrial subdivision, it lacks industrial servicing and had on site contamination at the time of sale by the municipality.

[21] The remaining two Complainant comparables are given little weight. They represent parcels that have services at a "rural standard" at the time of their sales. Rural standard was explained to be on site well or cistern and onsite septic sewer system.

[22] The requested \$300,000 per acre was not supported.

Heard commencing October 29, 2012.

Dated this 29<sup>th</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

Melissa Zayac, 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*