

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2012 ECARB 2143

Assessment Roll Number: 1604602
Municipal Address: 11915 156 Street NW
Assessment Year: 2012
Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

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

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 a large portion of evidence would be carried forward from roll #1604701.

Background

[3] The subject property is an industrial lot located in the Mitchell Industrial neighbourhood of northwest Edmonton. The lot is 80,800 sq. ft., and contains nine buildings. Each building is assessed using the cost approach; with an aggregate assessment of \$158,588. The 2012 assessment of the subject property is \$1,411,500.

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 land value of the subject property at \$1,253,276 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 land valuation for the subject property at \$575,000 per acre, the Complainant presented seven time adjusted sales comparables (C-1, page 1) which ranged in value from \$474,394 to \$590,845 per acre. They ranged in size from 0.57 to 4.92 acres. The subject property is assessed at \$675,620 per acre and is comprised of 1.855 acres. The Complainant noted that the time adjustments were made based on the factors utilized by the City of Edmonton (C-1, page 3).

[8] The Complainant indicated that the best comparables were #1, 2, 4, 5 & 7 with respect to size and proximity to the subject property.

[9] The Complainant noted that the subject property was zoned IM (Medium Industrial) which presented limitations with respect to potential future development. In addition the subject site is a narrow rectangular lot and is located in an older industrial area of the City.

[10] In summary, the Complainant requested the 2012 land value assessment of the subject property be reduced from \$1,253,276 to \$1,066,625. Adding the building valuation of \$158,588 to this amount resulted in a total of \$1,225,213. The Complainant then rounded this value down to \$1,225,000 as the final request.

Position of the Respondent

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

[12] The Respondent presented four time adjusted sales comparables (R-1, page 8) in support of the 2012 assessment of the land valuation of the subject property at \$675,620 per acre. The average value of the comparables presented was \$718,807 per acre. The Respondent noted that the subject property had access from two streets and had the benefit of being located on a major roadway which had a positive impact on value.

[13] The Respondent noted that the Complainant's sale #6 (C-1, page 9) was located in an area with no services and had a gravel road access only (R-1, page 13).

[14] The Respondent also noted that the Complainant had recently accepted a valuation (R-1, pages 14 & 15) on another 2.488 acre property in the same area as the subject property at \$656,551 per acre.

[15] When questioned with respect to the impact of zoning on valuation the Respondent indicated that zoning appeared to have little or no impact on value and that IM, IB, IH and IL properties were valued the same.

[16] In summary the Respondent requested the 2012 assessment of the subject property be confirmed at \$1,411,500.

Decision

[17] The decision of the Board is to reduce the 2012 assessment of the subject property from \$1,411,500 to \$1,286,000.

Reasons for the Decision

[18] After reviewing the evidence and argument presented by both parties the Board determined the 2012 assessment of the subject property, at \$1,411,500, was not appropriate.

[19] The Board placed greatest weight on the Complainant's land sales comparables #2 & 7 (C-1, page 1) and #4 (R-1, page 8) presented by the Respondent which, when averaged, supported a valuation of the subject property's land value at \$607,727 per acre. These comparables were recent sales and were similar to the subject property with respect to proximity, size, and major road attributes. They also shared challenges with respect to shape as does the subject property.

[20] The Board finds that a valuation of the land portion of the subject property at \$607,727 per acre is fair and equitable.

[21] The Board determined the revised 2012 assessment value by adding the land value of \$607,727 per acre (1.855 acres) to the value of the buildings of \$158,588 to arrive at a total revised assessment of \$1,286,000 (rounded).

Dissenting Opinion

[22] There was no dissenting opinion.

Heard commencing October 9, 2012.

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

Robert Mowbrey, Presiding Officer

Appearances:

Peter Smith
for the Complainant

Darren Nagy
Steve Radenic
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.