

Edmonton Composite Assessment Review Board

Citation: WCBME INC c/o CVG v The City of Edmonton, 2012 ECARB 2161

Assessment Roll Number: 1537307

Municipal Address: 16135 114 AVENUE NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

CVG Canadian Valuation Group, Agent for WCBME Inc.

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 1536408 (citation: 2012 ECARB 1797). Accordingly, they advised that a large percentage of the evidence would be carried forward to this hearing.

Background

[4] 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 2.389 acres. The assessment summary identifies 38,370 sq. ft. of main floor building space with a year built of 1971. The site coverage is 37%.

Issue(s)

[5] Is the 2012 assessment at \$3,040,000 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 an evidence package of 22 pages marked exhibit C-1.

[11] The Complainant presented seven sales comparables ranging in time adjusted sale price (TASP) from \$56.09 to \$76.68 per square foot and assessment from \$72.74 to \$95.78 per square foot. The Complainant placed most weight on comparable #4 at 14635 – 121A Avenue, #6 at 17407 – 106 Avenue, and # 7 at 14308 – 118 Avenue.

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

Comp#	Address	Eff. Year	Site Cov.	Bldg Area	TASP per sq ft	Assmt per sq ft
4	14635-121A ave	1965	33	41,349	61.67	79.86
6	17407-106 ave	1977	37	46,294	76.68	75.72
7	14308-118 ave	1967	38	22,323	60.48	95.78
subj.	16135-114 ave	1971	37	38,370		79.23

[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] Based on the TASP and the assessments of the sales comparables considered to have similar physical characteristics to the subject, the Complainant asked the Board to reduce the 2012 assessment to \$2,685,500 or \$70.00 per square foot.

Position of the Respondent

[15] The Respondent submitted an assessment brief of 37 pages, marked exhibit R-1, and a law and legislation brief of 44 pages, marked exhibit R-2.

[16] The Respondent presented seven sales comparables ranging in TASP from \$79.40 to \$117.43 per square foot, placing most weight on comparables # 5 at 16295 – 132 Avenue, #6 at 12930 – 148 Street, and #7 at 17407 – 106 Avenue respectively.

[17] The three comparables the Respondent places most weight on as similar to the subject are shown in the following table:

comp #	Address	Eff. Year	Site Cov.	Total Main	Office Finish	Mezz. Finish	Total area (Incl. mezz)	Office %	TASP per sq ft
5	16295-132 ave	1979	46	40,098	2,515	1,456	41,554	9.9%	\$79.40
6	12930-148 st	1972	34	44,101	5,880		44,101	13.3%	\$95.24
7	17407-106 ave	1977	37	40,251	6,272	4,400	44,651	26.5%	\$79.51
Subj.	16135-114 ave	1971	37	38,369	4,133		38,369	10.6%	Assessed \$79.23

[18] The Respondent also presented six equity comparables with assessments between \$76.97 and \$98.48 per square foot. The average assessment per square foot of the six equity comparables was \$84.00 with a median of \$82.37.

[19] The Respondent provided their validation comments relative to the Complainant's comparable # 7. The Board was advised that the property was experiencing long term vacancies and below market rents and that the seller was under financial duress. Therefore it was a poor comparable.

[20] Based on the TASP of the sales comparables and the assessments of the equity comparables, the Respondent asked the CARB to confirm the assessment of the subject at \$79.23 per square foot for a total of \$3,040,000.

Decision

[21] The CARB confirms the 2012 assessment at \$3,040,000.

Reasons for the Decision

[22] Both Parties have identified the comparable property at 17407-106 Ave 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 only 6 years newer in age, it has approximately 40,251 square feet of footprint and 4,400 square feet of finished upper mezzanine and equal site coverage. This comparable sold for \$3,350,000. Based on this common comparable, the Board finds it is good support for the assessment.

[23] Three of the remaining comparables presented by the Complainant have mid 1960's improvements. The upward adjustment is noted by the Parties to Comparable #4. Comparable #7 is given little weight by the Board because the seller was under duress.

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.