

## **Edmonton Composite Assessment Review Board**

**Citation: John C. Manning c/o CVG v The City of Edmonton, 2012 ECARB 2170**

**Assessment Roll Number:** 2228849

**Municipal Address:** 12900 148 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**

**Darryl Menzak, Board Member**

**Judy Shewchuk, 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.

[3] The Parties indicated that the evidence presented respecting this complaint was very similar to roll 1032465 (citation: 2012 ECARB 1760). Accordingly, they advised that a large percentage of the evidence would be carried forward to this hearing.

### **Background**

[4] The subject property is located in the Bonaventure Industrial Neighbourhood. The parcel is 129,059 square feet in size (2.96 acres) and it contains a warehouse of 65,098 square feet built in 1973. The site has rail access. Within the warehouse there is developed 3,800 square feet of main floor office space and 1,206 square feet of upper finished mezzanine space. The buildings are occupied by a single tenant. The property has 50% site coverage. The subject property fronts on to 148<sup>th</sup> Street with access from 128<sup>th</sup> and 131<sup>st</sup> Avenue.

### **Issue(s)**

[5] Is the 2012 assessment of \$4,128,000 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 a 16-page evidence package marked exhibit C-1.

[11] The Complainant presented seven sales comparables ranging in time adjusted sale price (TASP) from \$48.86 to \$61.57 per square foot. Placing most weight on the sales at 11504 – 170 Street (TASP \$56.09) and 14345 – 123 Avenue (TASP \$52.40) the Complainant asked the CARB to reduce the assessment to \$55 per square foot for a total of \$3,580,500.

[12] The Complainant's Comparables.

#	Address	Eff. Year	SC	Total Main	TASP	Assmt.	TASP per sq ft	Assmt per sq ft
S	12900 - 148 St.	1973	50	65,100		\$4,128,000		\$63.41
1	11504-170 St	1981	52	69,209	\$5,000,000		<b>\$56.09</b>	
4	14345 - 123 Ave.	1966	58	73,000	\$3,825,000		<b>\$52.40</b>	

### **Position of the Respondent**

[13] The Respondent submitted a 34-page assessment brief marked exhibit R-1.

[14] The Respondent presented seven sales comparables ranging in TASP from \$77.17 to \$86.88 per square foot, thereby supporting the assessment at \$63.41 per square foot.

#	Address	Eff. Yr.	SC	Total Main	Office Finish	Mezz Finish	Total Area (incl. mezz.)	Off. %	TASP per sq ft
S	12900 -148 <sup>th</sup> St.	1973	50	65,100	3,800	1,206		6.8%	
1	16925-132 Ave.	1979	46	40,098	2,515	1,456	41,554	9.9%	\$79.40
2	20 Airport Rd	1975	46	47,209	24,345		47,209	51.6%	\$68.56
3	4115-101 St.	1969	40	44,887	7,535		44,887	16.8%	\$86.88
4	17407-106 Ave.	1977	37	40,251	6,272	4,400	44,651	26.5%	\$79.51
5	17915-118 Ave.	1977	46	135,566	23,882		135,566	17.6%	\$82.62
6	16304-117 Ave.	1977	43	112,594	7,234		112,594	6.4%	\$79.93
7	14604-134 Ave.	1979	37	114,037	5,974		114,037	5.2%	\$77.17

[15] The Respondent questioned the Complainant's comparable #1 rate of \$56.09 rate when \$1,000,000 was spent on building and mechanical renovations after the purchase. The Respondent also questioned the use of the Complainant's comparable #4 with a rate of \$52.40 when \$850,000 for roof repairs was a consideration at the time of sale.

### **Decision**

[16] The 2012 assessment is confirmed at \$4,128,000.

## **Reasons for the Decision**

[17] The Respondent's evidence relative to the Complainant's comparables #1 and #4 does indicate that the time adjusted sales price per square foot should be adjusted upward to \$70.11 to account for renovations and \$64.04 to account for roof repairs. When these revised rates are coupled together with the Respondent's indicators the assessment is well within the range of sales data presented to the Board. The Respondent's comparables have rates that are all above the assessment rate.

[18] The Board finds that there is a significant gap in the comparability when 4 of buildings are less than 50,000 square feet and 3 of the buildings are over 100,000 square feet. The subject contains 65,000 square feet. The Complainant's comparables #1 and # 4 fill the gap.

[19] The Board gives consideration to the revised rates for the Complainant's comparables #1 and # 4 and as a result confirms the assessment.

Heard commencing October 25, 2012.

Dated this 28<sup>th</sup> day of November, 2012, at the City of Edmonton, Alberta.

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Don Marchand, Presiding Officer

### **Appearances:**

Tom Janzen  
for the Complainant

Will Osborne  
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.*