

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01345**

**Assessment Roll Number:** 3346756  
**Municipal Address:** 11355 105 Avenue NW  
**Assessment Year:** 2013  
**Assessment Type:** Annual New

Between:

**CVG**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

---

**DECISION OF**  
**Harold Williams, Presiding Officer**  
**Martha Miller, Board Member**  
**Mary Sheldon, Board Member**

---

### **Procedural Matters**

[1] Upon questioning by the Presiding Officer the parties before the Board indicated no objection to the Board's composition. In addition, the Board Members indicated no bias with respect to this file.

[2] The parties agreed that the evidence, argument and submissions will be carried forward where applicable from roll # 3171402 to roll # 3346756.

### **Preliminary Matters**

[3] There were no preliminary matters.

### **Background**

[4] The subject is a single tenant warehouse/office building located in industrial group 19 in central Edmonton. It was built in 1970 and contains a total of 8,626 square feet, of which 2,712 square feet is described as main floor finished. There is no upper finished area. The site coverage is 56% and the subject is in average condition.

### **Issue(s)**

[5] Is the 2013 assessment of the subject correct when considering sales of comparable properties?

## **Legislation**

### **[6] The *Municipal Government Act*, RSA 2000, c M-26, reads:**

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**

[7] In support of the position that the current assessment of the subject is excessive and is not correct, the Complainant presented a chart of sales of five properties which, in the opinion of the Complainant, were similar to the subject. The age of the comparables ranged from 1973 to 1977 and the site coverage ranged from 44% to 78%. The effective year built of the subject is 1970 and the site coverage is 56%. The size of the comparables ranged from 13,400 square feet to 16,700 square feet while the size of the subject is 8,626 square feet.

[8] The time adjusted sale prices per square foot of the comparables ranged from \$94.78 to \$130.21. The Complainant argued that this evidence demonstrated that the assessment of the subject at \$152.91 per square foot was not correct nor was it equitable.

[9] The Complainant submitted that a value of \$140 per square foot would be appropriate for the subject. That would result in a total value for the subject of \$1,207,500.

[10] The Complainant submitted that most weight should be placed on comparable #3 as this comparable has a similar proportion of finished main floor finish. The Complainant argued that the requested value of \$140 per square foot would reflect the lower site coverage and smaller size of the subject.

[11] The Complainant reminded the Board that the location of the subject was unique as an industrial area as it was congested and more difficult for trucking.

[12] The Complainant requested that the Board reduce the current assessment of the subject to \$1,207,500.

## **Position of the Respondent**

[13] The Respondent provided a submission to the Board (Exhibit R-1, 57 pages) in support of the 2013 assessment for subject property.

[14] The Respondent provided six sales comparables (Exhibit R-1, page 23). The effective year built of the comparables ranged from 1955 to 1979 and the site coverage ranged from 44% to 66%. The effective year built of the subject is 1970 and the site coverage is 56%. The size of the comparables ranged from 4,938 square feet to 12,749 square feet while the size of the subject is 8,626 square feet.

[15] One comparable, #3 appeared in the same Industrial Group as the subject. The remaining five comparables were in Industrial Group 18. The Respondent, in verbal evidence, indicated that these comparables best matched the physical attributes of subject.

[16] The Respondent re-charted the five sales comparables of the Complainant (Exhibit R-1, page 23) and evaluated overall comparability as inferior (requiring an upward adjustment) or superior (requiring a downward adjustment). The Respondent explained that Complainant sales comparable #2 was a non arms length sale (Exhibit R-1, pages 30-41) and thus not a valid sale. The Respondent argued that the remaining four Complainant's sales comparables all required an upward adjustment as they were inferior to the subject property.

[17] The Respondent and the Complainant sales comparables showed none in common.

[18] The Respondent indicated that some of the Complainant's sales were encumbered with below market leases reflecting a need for adjustment of the sale price to reflect fee simple interest.

[19] In summary the Respondent stated the city's sales comparables showed support for the assessment of subject property and asked the Board to confirm the 2013 assessment of \$1,319,000.

### **Decision**

[20] The decision of the Board is to reduce the 2013 assessment of the subject to \$1,207,500.

### **Reasons for the Decision**

[21] In the opinion of the Board, comparable #3 provided by the Complainant and to a lesser extent comparable #5 provided by the Complainant, are similar to the subject in terms of physical characteristics and industrial grouping and location. The Board noted that the time adjusted sale price per square foot of Complainant's comparable #3 is \$130.21 which is below the assessed value per square foot of the subject at \$152.91.

[22] The Board then reviewed the sales comparables presented by the Respondent and noted that only one was in the same industrial grouping as the subject. Four of the Respondent's comparables were in south side Edmonton, a very different location than the subject.

[23] The only Respondent comparable in the same location and industrial grouping as the subject was #3 at 10561 108 Street. That comparable is fifteen years older than the subject and half the size. In the opinion of the Board, the Respondent's sales comparables did not defend the assessment of the subject. As well as the comparables being dissimilar to the subject, the time adjusted sale price per square foot of two of the comparables (#2 and #5) were lower than the assessment per square foot of the subject and the time adjusted sale price per square foot of two other comparables (#1 and #6) may, with downward adjustments for age, be below the range of the assessment of the subject.

[24] The Board concludes that the evidence presented by the Complainant was sufficient to bring into question the accuracy of the assessment of the subject and further concludes that the Respondent's evidence did not convince the Board that the assessment was correct.

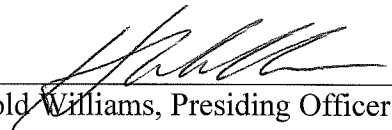
[25] The Board concludes that the \$140 per square foot value for the subject proposed by the Complainant is supported by the evidence of the Complainant's comparables, in particular #3. When the time adjusted sale price per square foot of that comparable is adjusted upward for site coverage and size, an assessment for the subject in the range of \$140 per square foot is supported.

**Dissenting Opinion**

[26] There was no dissenting opinion.

Heard on July 25, 2013.

Dated this 15<sup>th</sup> day of August, 2013, at the City of Edmonton, Alberta.

  
Harold Williams, Presiding Officer

**Appearances:**

Tom Janzen  
for the Complainant

Nancy Zong  
Suzanne Magdiak  
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.*