

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01398

Assessment Roll Number: 8888406

Municipal Address: 6320 DAV IES ROAD NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Patricia Mowbrey, Presiding Officer
Jack Jones, Board Member
Jasbeer Singh, Board Member

Procedural Matters

- [1] Upon questioning by the Presiding Officer, the parties indicated they had no objection to the composition of the Board. In addition, the Board members indicated they had no bias on this file.

Preliminary Matters

- [2] There were no preliminary issues before the Board.

Background

- [3] The subject is an office/warehouse building complex located at 6320 – Davies Road in Davies Industrial West neighbourhood in southeast Edmonton. Built in 1972, the property consists of a 20,543 sq ft main building that has 4,786 sq ft of main floor finished office space and no finished mezzanine space.
- [4] The Complainant appealed the 2013 assessment of \$2,502,500 on the grounds that the assessment is higher than market value.

Issue(s)

- [5] Is the subject property assessed in excess of the market value?

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] The position of the Complainant is that the subject property assessment of \$2,502,500 is in excess of the market value. In support of this position, the Complainant presented a 13 page assessment brief (Exhibit C-1), testimonial evidence and argument.

[8] The Complainant provided a chart of five sales comparables that were built between 1975 and 2001, ranged in site coverage from 25% to 55%, building sizes varied between 15,000 sq ft and 44,994 sq ft and the time adjusted sale prices varied between \$94.61 and \$118.48/ sq ft, (C-1, page 1). The subject property is shown below the table of the Complainant’s five sales comparables.

	Address	Year Built	Site Cover %	Total Area	Sale Date	TASP \$ / sq ft
1	7216 - 76 Ave	1976	55	15,000	May-09	100.61
2	7703/15 -69 Str	1975	36	15,800	Jul-09	118.48
3	9719 - 63 Ave	1988	44	17,149	Jul-10	119.23
4	7603 McIntyre Rd.	2001	25	44,000	Dec-10	109.78
5	4115 - 101 Str	1978	40	44,994	Dec-10	94.61
Sub	6320 Davies R	1972	33	49,975	Asmt	121.82

[9] The Complainant requested the Board to give greater weight to sales comparables #1, #2, #3 and #5, as these had the most characteristic similarities with the subject (C-1, page 2).

[10] The Complainant argued that the Respondent’s sales comparable #1 supported the request for a lower assessment.

[11] The Complainant requested the Board to reduce the subject property’s 2013 assessment to \$110.00/ sq ft for a total of \$2,260,000.

Position of the Respondent

[12] The Respondent presented to the Board a 53 page document (Exhibit R-1) that included an assessment brief and a Law & Legislation brief.

[13] The Respondent's brief included a chart of six sales comparables. The sales comparables and the subject property with 2013 assessment of \$122/ sq ft are as follows:

	Address	Loc. Grp.	Year Built	Site Cover %	Total Main Flr	Main Floor Office	Upper Finish	Total Area	Cond.	Sale Date	TASP \$/ sq ft
1	8135 Wagner R	18	1969	35	15,003	2,579	0	15,003	Avg	Jul-10	91
2	6803 - 72 Ave	18	1978	30	26,499	4,059	0	26,499	Avg	Sept 11	123
3	5725 - 92 Str	18	1976	37	14,868	3,163	0	14,868	Avg	May 09	123
4	7705 - 69 Str	18	1975	34	14,969	3,936	0	14,969	Avg	Jul 09	125
5	7324 - 76 Ave	18	1976	37	15,089	4,140	0	15,089	Avg	Apr 11	129
6	5605 - 92 Str	18	1980	27	11,696	3,354	0	11,696	Avg	Mar 11	130
Sub	6320 Davies R	18	1972	33	20,543	4,786	0	20,543	Avg	Asmt	122

[14] The Respondent stated that the most significant factors affecting value, in the order of importance were, (R-1, page 34):

1. Total Main Floor area (per building)
2. Site coverage
3. Effective age (per building)
4. Condition (per building)
5. Location
6. Main floor finished area
7. Upper finished area (per building)

[15] The Respondent stated that the Complainant's sales comparables needed adjustment in multiple dimensions and further argued that:

- a. Sale comparable #1 is newer by a few years and is 75% the size of the subject with 60% higher site coverage. Additionally, it is on a lot that is less than half the size of the subject (C-1, page 14).
- b. Sale comparable #2 was also used by the Respondent as sale comparable #4. It is newer by a few years and is 75% the size of the subject but is very comparable in terms of site coverage. The latter is the second most significant valuation factor (R-1, page 34). The Respondent argued that the time adjusted sales price of this common comparable supported the subject assessment.
- c. Sale comparable #3 was vacant at the time of sale so the sale price could not be relied upon for comparison. The comparable is from a different location group, is considerably newer than the subject and has higher site coverage. It is in 'fair' condition whereas the subject is in average condition (R-1, page 14).
- d. Comparable #4 is 29 years newer than the subject and is more than twice the subject's building size. It is on a lot that is nearly three times the size of the subject lot (R-1, page 14).

- e. Comparable #5 is comparable in terms of location and age. However, its building size is twice that of the subject building and its lot is twice the size of the subject's lot. The Respondent argued that the per square foot sales price of this comparable could not be relied upon for comparison (R-1, page 14).

[16] The Respondent suggested that sufficient comparable sales are available in the location grouping of the subject and support the subject assessment of \$122/sq ft.

[17] The Respondent requested the Board to confirm the subject assessment at \$2,502,500.

Decision

[18] The Decision of the Board is to confirm the subject 2013 assessment at \$2,502,500.

Reasons for the Decision

[19] The Board considered the Complainant's five sales comparables and noted the following:

- a. Sales comparable #1 has smaller size building and higher site coverage than the subject. It is on a lot that is less than half the size of the subject's lot. Therefore it was considered dissimilar to the subject.
- b. Sales comparable #2 was also included as one of the Respondent's sales comparables and supported the subject assessment.
- c. Sales comparable #3 is in fair condition whereas the subject is in average condition and therefore, it is not considered comparable with the subject.
- d. Sales comparables #4 and #5 have much larger buildings that are more than twice the size of the subject on considerably larger parcels of land. Consequently, they are considered dissimilar to the subject.

[20] The Board reviewed the six sales comparables presented by the Respondent and noted the following:

- a. All six sales are from similar locations, are in average condition and have one building, just as the subject.
- b. The six comparables have a close range of effective years built, between 1969 and 1980; a close range of building sizes from 11,696 sq ft to 26,499 sq ft; a close range of finished main floor space from 2,579 sq ft to 4,140 sq ft; and a close range of site coverage from 27% to 37%. The subject has an effective year built of 1972, total building area of 20,543, finished main floor space of 4,786 sq ft and site coverage of 33%.

[21] The Board placed greatest weight on the Respondent's sales comparables which included comparable # 4, the same as the Complainant's comparable #2. All of the sales support the subject's 2013 assessment of \$2,502,500.

[22] The Board finds that the Complainant's evidence, testimony and argument did not provide sufficient and compelling reasons for the Board to reduce the assessment. Jurisprudence has established that the burden of proof of demonstrating an assessment is incorrect, rests with the Complainant.


[23] The Board finds the subject 2013 assessment of \$2,502,500 is correct, fair and equitable.

Dissenting Opinion

[24] There was no dissenting opinion

Heard September 27, 2013.

Dated this 21st day of October, 2013, at the City of Edmonton, Alberta.


Patricia Mowbrey, Presiding Officer

Appearances:

Peter Smith
for the Complainant

Jason Baldwin, City of Edmonton
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.