

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01565**

**Assessment Roll Number:** 2209906

**Municipal Address:** 14849 124 AVENUE N W

**Assessment Year:** 2013

**Assessment Type:** Annual New

Between:

**CVG**

Complainant

and

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

Respondent

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### **DECISION OF**

**Harold Williams, Presiding Officer**

**James Wall, Board Member**

**Randy Townsend, Board Member**

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### **Procedural Matters**

[1] The Board members stated that they had no bias in regard to this complaint nor was there any objection from the Respondent or Complainant as to the composition of the Board. There were no other procedural matters.

### **Preliminary Matters**

[2] There were no preliminary matters before the Board.

### **Background**

[3] The subject property under complaint is classified by the City as industrial warehousing and is located at 14849 – 124 Avenue NW within the Dominion Industrial subdivision. The subject property contains two buildings, one built in 1967 with 46,882 square feet and a small storage building built in 1979 containing 951 square feet. The subject property is considered as being on a major roadway. The subject property was valued by the City using the Direct Sales Comparison approach with the small building being valued using a cost approach, resulting in a 2013 assessment of \$4,695,500.

### **Issue(s)**

[4] Is the 2013 assessment of the subject property fair and equitable in comparison to similar properties?

## **Legislation**

### **[5] 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**

[6] The Complainant provided the Board with an evidentiary document (Exhibit C-1) containing information on the sales of properties that the Complainant stated were similar to the subject property and containing a previous 2012 Edmonton Composite Review Board (ECARB 2012-002314) decision (Exhibit C-1, page 19 – 22) showing a reduction in assessment for the subject property.

[7] Exhibit C-1, page 1 showed a listing of nine properties that sold between May 2010 and July 2012. Total building square footage ranged from 30,370 square feet to 57,490 square feet as compared to the subject property at 47,834 square feet. Site coverage for the nine properties ranged from 28% to 55% in comparison to the subject property at 32%. Time adjusted sale prices ranged from \$67.51 per square foot to \$106.42 per square foot in comparison to the subject property at \$98.16 per square foot. The Complainant used the City’s time adjustment chart to adjust sales comparisons to current value. (Exhibit C-1, page 18).

[8] The Complainant informed the Board that the most weight was placed on the Complainant’s comparison sales #2, #3, #5, #6, and #7, and that the 2012 ECARB had previously placed weight on the Complainant’s sales #1 through #5, which lead to a reduction in the 2012 assessment for the subject property. It was noted that the Complainant’s comparable sales #2, #4, and #5 were common with those sales comparables provided by the Respondent.

[9] In summation, the Complainant critiqued the Respondent’s sales comparables pointing out that the sales used in common by both parties should be adjusted to \$85 per square foot to bring them closer in similarity to the subject property. The Complainant expressed no issue with the building valued using the cost approach as the value was a nominal \$1,000.

[10] Finally the Complainant argued that the property sales information and the previous 2012 ECARB decision provided by the Complainant showed that a reduction in the assessment of the subject property is warranted and asked that the 2013 assessment for the subject property be reduced to \$4,050,000.

## **Position of the Respondent**

[11] The Respondent provided the Board with an evidentiary document (Exhibit R-1) containing information on Mass Appraisal, Factors Affecting Value, The City's assessment process, Fee Simple Estate concepts, Assessment Sales Ratios, Property Characteristics and Law and Legislation governing assessment in Alberta. The document also provided information on assessments and sales of properties the Respondent stated were similar to the subject property.

[12] Exhibit R-1, page 21 showed a listing of four properties that sold between September 2010 and January 2012. Total building square footage ranged from 24,198 square feet to 44,101 square feet. Site coverage for the four properties ranged from 31% to 50% in comparison to the subject property at 32%. Time adjusted sale prices ranged from \$98.63 per square foot to \$141.03 per square foot in comparison to the subject property at \$98.16 per square foot.

[13] Exhibit R-1, page 28 (Equity Comparables) showed the 2013 assessments of five properties, which the Respondent argued, were very close in similarity to the subject property and showed that the subject property received an equitable assessment.

[14] The Respondent indicated to the Board that they wished to carry forward from roll # 8873630 all of the information outlined in paragraph 12 above except the information on sales and equity comparables.

[15] In summation, the Respondent critiqued the sales comparison information provided by the Complainant arguing that, when many of these comparisons were adjusted to make them similar to the subject property, these comparisons would support the current assessment of the subject. The Respondent argued that this was particularly the case with the Respondent's sales #1, #2, and #4, which were used in common by both parties. The Respondent also pointed to the Complainant's sale #6 as being a sale between related business parties, and sale #8 as generating negative income at time of sale.

[16] Finally, the Respondent argued that the sales comparison's and the assessment equity examples provided showed that the 2013 assessment for the subject property is fair and equitable and asked that the assessment be confirmed.

## **Decision**

[17] The decision of the Board is to confirm the 2013 assessment of the subject property at \$4,695,500.

## **Reasons for the Decision**

[18] The Board reviewed the sales comparisons information provided by both parties and the assessment equity information provided by the Respondent.

[19] The Board was not able to find convincing information from the Complainant's sales comparables to indicate a need to adjust the assessment for the subject property. The Board particularly reviewed the Complainant's sales #2, #3, #5, #6, and #7 that the Complainant relied upon in their information. When sales #2 and #5, in common with the Respondent, are removed as they would tend to support the assessment when adjusted and sale #6 is removed due to a related party sale the remaining sales for review are #3 and #7. Sale #3 is close in age, size, and

site coverage but is in a very different location in terms of major roadway exposure. Sale #7 is on a major roadway but is somewhat older and larger and has very different site coverage.

[20] The Board found that the Respondent's sales comparisons, particularly those in common with the Complainant, when adjusted, would tend to support the assessment. The Board was of the opinion that the Respondent's sale #3, which is not in common with the Complainant, would require enough significant adjustment that it would not be a good indicator of value.

[21] The Board reviewed the Assessment Equity comparables (Exhibit R-1, page 26) and found that some of the comparables would require adjustment to be very similar to the subject property. However, overall the comparables did support the assessment for the subject property.

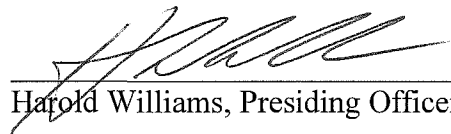
[22] Finally, the Board reviewed the 2012 ECARB decision but notes that the Board is not bound by any previous Board decisions. The Board therefore concentrated on the current information before it regarding the 2013 assessment for the subject property.

### **Dissenting Opinion**

[23] There was no dissenting opinion.

Heard commencing October 25, 2013.

Dated this \_\_13th\_\_ day of \_\_November\_\_, 2013, at the City of Edmonton, Alberta.

  
Harold Williams, Presiding Officer

### **Appearances:**

Tom Janzen  
for the Complainant

Marty Carpentier, Assessor  
Tanya Smith, Legal Counsel  
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.*