

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01714

Assessment Roll Number: 1080316

Municipal Address: 9255 41 Avenue NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Larry Loven, Presiding Officer

Darryl Menzak, Board Member

Jasbeer Singh, Board Member

Procedural Matters

[1] At the outset of the hearing the Complainant and the Respondent confirmed that they had no objection to the composition of the Board and the Board members declared that they had no bias in matters before the Board.

Preliminary Matters

[2] There were no preliminary issues.

Background

[3] The subject property, located in Strathcona Industrial Park, consists of a 26,013 square foot multi-tenant office/warehouse building that has 4,109 square feet of finished office space on the main floor and 1,079 square feet of finished office space on the upper mezzanine level. The building was constructed in 1999 and is in average condition. The 2013 assessment of the subject property, based on the income approach, is \$3,984,000.

Issue(s)

[4] Is the 2013 assessment of the subject property correct?

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 presented a 19 page brief, Exhibit C-1(“C-1”), in support of the requested reduction in the 2013 assessment of the subject property.

[7] The Complainant presented the following table of 11 sales comparables in support of a lower value. The subject property is shown immediately below the sales comparables.

#	Address	Year Built	Site Cover %	Total Area (Sq.Ft)	Sale Date	TASP per Sq.Ft
1	11610 - 178 St	1997	26	26,200	Jun-09	\$ 96.48
2	10439 - 176 St	1992	24	32,339	Nov-09	\$130.93
3	15404 - 121A Ave	2006	31	50,797	Jul-10	\$103.04
4	7603 - McIntyre	2001	25	40,000	Dec-10	\$120.75
5	8210 - McIntyre	1974	28	42,000	Jan-11	\$118.60
6	803/19 - 77 Ave	82/94	29	24,485	Mar-11	\$104.46
7	9515 - 51 Ave	1972	16	29,492	May-11	\$124.50
8	4704 - 97 St	1979	44	58,837	Aug-11	\$102.70
9	8011 Davies Rd	1972	35	21,050	Dec-11	\$123.52
10	4403 - 97 St	2004	40	57,000	Jul-12	\$138.85
11	7040 - 68 Ave	2001	52	48,167	Nov-12	\$116.26
Sub	9255 - 41 Ave	1999	30	26,013		\$153.15

[8] The Complainant places most weight on sales comparables #1, #6 and #9 as being most similar in terms of physical and location characteristics.

[9] In conclusion, the Complainant stated that an assessment value of \$105 per square foot was reasonable and requested the Board to reduce the 2013 assessment of the subject property to \$2,731,000.

Position of the Respondent

[10] The Respondent submitted a 35 page document, Exhibit R-1("R-1"), in support of the 2013 assessment of the subject property. The document contained a testimonial statement, industrial warehouse brief, photographs and aerials of the subject property, detail report, complainant issues, comparable sales, additional evidence and a Law & Legislation brief.

[11] The Respondent provided a chart containing five sales comparables as summarized below. The subject property is shown immediately below the sales comparables.

#	Address	Loc Grp.	Year Built	Site Cover %	Total Main Flr (Sq.Ft)	MF Finish Area (Sq.Ft)	Upper Finish (Sq.Ft)	Total Area	Cond.	Sale Date	TASP per Sq.Ft
1	9111 - 41 Ave	18	1992	27	24,489	4,198	4,198	28,687	Avg	Mar-10	163.68
2	9330 - 45 Ave	18	1998	29	38,302	9,612	1,361	39,663	Avg	Sep-09	157.40
3	5880 - 56 Ave	18	2000	33	30,078	7,716	0	30,078	Avg	Feb-08	158.18
4	9515 - 51 Ave	12	1978	23	29,200	6,160	1,120	30,320	Avg	Jun-12	166.10
5	6111 - 56 Ave	18	1998	34	23,958	4,706	0	23,958	Avg	Jul-08	158.45
Sub	9255 - 41 Ave	18	1,999	29	24,933	4,109	1,079	26012	Avg		153.16

[12] The Respondent made the following comments on the Complainant's sales comparables.

- a. Sales comparables #1 was a motivated seller.
- b. Sales comparable #3 was a non-arms-length partial interest sale.
- c. Sales comparables #10 and #11 were post facto.
- d. The Respondent also noted that the Complainant's sales comparable #7 was the Respondent's sales comparable #4.
 - i. The Respondent cited the more recent, June 2012 sale, with a time adjusted selling price of \$166.10 per square foot;
 - ii. The Complainant cited the older, August 2011 sale with time adjusted sale price of \$125.74 per square foot.
- e. Three of the Complainant's sales comparables are from dissimilar locations .

[13] In summation, the Respondent stated that the Complainant's sales comparables should not be relied upon due to various flaws given above. The Respondent requested the Board to confirm the 2013 assessment of the subject property at \$3,984,000.

Decision

[14] It is the decision of the Board to confirm the 2013 assessment of the subject property at \$3,984,000.

Reasons for the Decision

[15] The Board examined sales comparables, #1, #6 and #9 relied upon by the Complainant.

[16] The Board accepts the Respondent's evidence that the Complainant's sales comparable #1 was a motivated seller who may have sold the property for less than its market value.

[17] The Complainant's sales comparable #9 was given by the Complainant to be 21,050 square feet and the Respondent to be 18,412 square feet, or 35% and 31% site coverage respectively, resulting in TASP's per square foot of \$123.52 and \$141.25, respectively. The Board finds that based on all of the Complainant's other sales comparables, analyzed by the Respondent to match in both building size and site coverage, that it is likely, even though the Complainant relied upon Network data and no further information was provided by the Respondent, that the building size and site coverage provided by the Respondent for this sales comparable is correct.

[18] The Board notes that the Complainant's sales comparable #6 with a TASP of \$104.13 per square foot, as given by the Respondent, although it is similar to the subject property in terms of site coverage, and building size, is approximately 20 years older than the subject property and is located in Market Area 20, a partially serviced market area as claimed by the Respondent and not argued by the Respondent.

[19] The Board finds that the sales comparables provided by the Respondent to more closely match the characteristics of the subject property in terms of industrial group location, building count, effective year built, main floor area size, main floor office space, and TASP per square foot.

[20] Based on its consideration of the above findings, Board concludes the subject property to be fairly and equitably assessed.

Dissenting Opinion

[21] None noted.

Heard commencing October 17, 2013.

Dated this 15th day of November, 2013, at the City of Edmonton, Alberta.


Larry Loven, Presiding Officer

Appearances:

Tom Janzen
for the Complainant

Jason Baldwin
Scott Hyde
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.