

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01717

Assessment Roll Number: 8953796

Municipal Address: 9803 33 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 Parsons Industrial Park, consists of two buildings with a total building size of 24,058 square feet. The larger building, measuring 12,512 square feet, has 1,965 square feet of finished office space on the main floor and the smaller building, measuring 11,546 square feet has 1,520 square feet of finished office space on the main floor. The buildings were constructed in 1981 and are in average condition. The 2013 assessment, based on the income approach, is \$2,934,500.

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 21 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 a table of eight sales comparables, as summarized below, in support of a lower assessment 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	5725/33 - 92 St	1971	37	15,002	May-09	\$121.76
2	7216 - 76 Ave	1976	55	15,000	May-09	\$100.61
3	7703/15 - 69 St	1975	36	15,800	Jul-09	\$118.48
4	9719 - 63 Ave	1975	44	17,149	Jul-10	\$119.23
5	5820 - 96 St	1979	45	10,000	Aug-10	\$112.70
6	8210 McIntyre	1974	28	42,000	Jan-11	\$118.60
7	803/19 - 77 Ave	1982	29	24,485	Mar-11	\$104.46
8	7716 - 67 St	1978	43	13,788	May-11	\$114.13
Subject	9803 - 33 Ave	1981	52	24,058		\$121.98

[8] The Complainant provided a copy of a decision (*CVG v The City of Edmonton* [2012] , ECARB 2012-001945) for the subject property confirming the 2012 assessment of \$2,644,000, or \$109.90 per square foot.

[9] The Complainant stated that the per square foot time adjusted value, based on 2012 ARB decision, was \$114.36, and it supported the requested reduction in the 2013 assessment for the subject property.

[10] The Complainant placed most weight on sales comparables #2, #4, #7 and #8 as being most similar in terms of physical characteristics, and considered of value of \$110.00 per square foot to be reasonable for the subject property's 2013 assessment.

[11] In conclusion, the Complainant requested the 2013 of the subject property to be reduced to \$2,646,000.

Position of the Respondent

[12] The Respondent submitted a 50 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 brief.

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

#	Address	Loc Grp.	Year Built	Site Cover %	Main Flr (Sq.Ft)	MF Upper Area (Sq.Ft)	Upper Finish	Total Area (Sq.Ft)	Cond.	Sale Date	TASP per Sq.Ft
1	4810 - 93 St	18	1974	16	30,409	17,686	0	30,409	Fair	Apr-09	118
2	4350 - 68 Ave	18	89/'79	12	34,733	3,798	0	34,733	Avg	Aug-10	162
3	3849 - 76 Ave	18	97/'78	19	25,251	5,000	0	25,251	Avg	Apr-12	152
4	6803 - 72 Ave	18	1978	30	26,499	4,059	0	26,499	Avg	Sep-11	123
5	4810 - 93 St	18	1974	25	27,750	17,648	0	27,750	Avg	Feb-11	155
6	9111 - 41 Ave	18	1992	27	24,489	4,198	4,198	28,688	Avg	Mar-10	140
7	9333 - 45 Ave	18	1982	28	22,013	3,119	3,119	26,132	Avg	Jul-08	141
Sub	9803 - 33 Ave	18	1,981	52	24,057	3,485	0	24057	Avg		122

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

- a. Sales comparables #4 was in 'fair' condition, was located in a different industrial location and was not comparable.
- b. Sales comparable #5 was non-arms-length sale.
- c. Sales comparable #7 was located in a partially serviced area.

[15] The Respondent requested the Board to confirm the 2013 assessment.

Decision

[16] It is the decision of the Board to reduce the 2013 assessment of the subject property from \$2,934,500 to \$2,646,500.

Reasons for the Decision

[17] The Board places great reliance on the Respondent's explanation of the weighting of the factors affecting value; that, in descending order of importance are: total main floor area (per building; site coverage; effective age (per building); condition (per building); location of the property; main floor finished area; and, upper finished area (per building).

[18] The Board also accepts the Respondent's statement given in *2013 Industrial Assessment Brief* under the section, Factors Affecting Value, that, "*For multiple building accounts, each building has been analyzed for its contributory value to the property. For such accounts, a single assessment has been produced that represents the aggregate market value of each building for that particular property.*".

[19] The Board finds that although the Respondent's sales comparables are similar to the subject property in terms of Market Area, effective age, and building size, they all have 20% to 30% less site coverage compared to the subject property at 52%.

[20] The Board's examination of the TASP per square foot of all the sales comparables presented, adjusted for site coverage only, supports a lower per square foot value for the subject property.

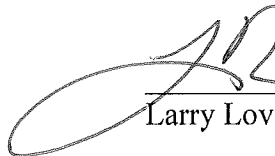
[21] The Board accepts the Complainant's analysis of sales comparables to arrive at a base year market value of \$110 per square foot as reasonable.

Dissenting Opinion

[22] There was no dissenting opinion.

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.