

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01720

Assessment Roll Number: 8888141

Municipal Address: 7735 Wagner Road 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] 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 matters.

Background

[3] The subject property is a warehouse office complex located in south Edmonton on an interior lot. The building is in average condition, approximately 27,920 square feet in size and has site coverage of 46%. There is 3,778 square feet of finished office space on the main floor and no upper mezzanine finish. The 2013 assessment based on income approach is \$2,770,000.

Issue(s)

[4] Is the 2013 assessment of \$2,770,000 for 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 evidence, Exhibit C-1(“C-1”), and argument for the Board’s review and took the position that the subject property is assessed too high when compared to the sale price of other similar properties.

[7] The Complainant submitted three sales comparables in support of the requested reduction. These comparables had effective year built of 1978, 1971 and 1982; site coverage of 40%, 21% and 29%; building size of 44,994, 18,556 and 24,485 sq ft; and Time Adjusted Sale Prices (TASP) of \$94.61, \$76.39 and \$104.46 per square foot, all respectively. The subject property has been assessed at \$99.21 per square foot.

[8] According to the Complainant, its sales comparable #1 was larger than the subject property but similar in other respects such as site coverage, age and neighborhood.

[9] The Complainant stated that its sales comparable #2 was on a main road and would require a downward adjustment to make it comparable to the subject property.

[10] Comparable #3, according to the Complainant, would require adjustments because of lower site coverage and being located in a partially serviced neighborhood.

[11] Based on its three sales comparables the Complainant considered a market value of \$90 per square foot to be reasonable and requested the Board to reduce the 2013 assessment \$2,512,500.

Position of the Respondent

[12] The Respondent’s brief, Exhibit R-1(“R-1”). This included the City of Edmonton’s Industrial Warehouse Assessment Brief and a Law & Legislation brief. The Respondent provided the factors affecting the value in the warehouse inventory, in declining order of importance, as: total main floor area, site coverage, effective age, condition, location, main floor finished area, and upper finished area.

[13] The Respondent presented three sales comparables in support of the 2013 assessment of the subject property. The ages were given as 1972, 1971 and 1969; site coverage as 46%, 43%, and 40%; building sizes as 23,880, 35,380, and 44,887 sq ft; TASP per square foot as \$105.98, \$98.63, \$94.84, all respectively.

[14] Sales comparables #1 and #2 were stated to be similar to the subject property in size, site coverage and area. It was stated that they would require only small adjustment for comparability to the subject property.

[15] Sales comparable #3 was also included in the Complainant's chart as sales comparable #1. With an upward adjustment due to its larger size, this comparable was given to support the subject assessment.

[16] The Respondent stated that the Complainant had not provided any evidence to support the claim that the subject property had been over assessed and requested that the assessment be confirmed at \$2,770,000.

Decision

[17] The decision of the Board is to confirm the 2013 assessment of the subject property at \$2,770,000.

Reasons for the Decision

[18] The Board accepts the Respondent's evidence that the selling price of the Complainant's sales comparable #2 may have been impacted negatively due to the shape of the lot and the vendor motivations on record on the Network data sheet for this sale and the City's validation record. Accordingly, the Board places less weight on this sales comparable.

[19] The Board notes that the Complainant's sales comparable #3 was 12% smaller in building size, with 63% lower site coverage compared to the subject property and is located in a partially service neighbourhood. As a result, the Board finds this sales comparable to be less similar to the subject property.

[20] The Board finds the sales comparable used by both parties to be 60% larger in building size with twice as much main floor finished office space as compared to the subject property. Taking into account the economies of scale, its per square foot TASP of \$94.84 support the per square foot assessed value of the subject property.

[21] The Board finds the Complainant's sales comparable #1 to be 14% smaller, with the same site coverage and 19% less main floor office, has a per square foot TASP of \$105.98 that supports the per square foot assessed value of the subject property.

[22] The Board finds the Complainant's sales comparable #2 to be 26% larger, with 3% less site coverage and 62% more main floor office, has a per square foot TASP of \$98.63 and is indicated by the Respondent to require no adjustment. This value also supports the per square foot assessment of the subject assessment.

[23] In summary, based on its consideration of the above reasons, the Board concludes that the Complainant's evidence, testimony and argument did not provide sufficient and compelling

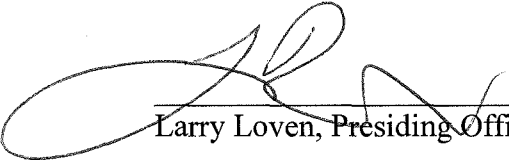
reasons for the Board to reduce the assessment and confirms the subject property to be fairly and equitably assessed at \$2,770,000.

Dissenting Opinion

[24] There was no dissenting opinion.

Heard commencing October 18, 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.