

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01723

Assessment Roll Number: 9553025

Municipal Address: 4303 82 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] 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.

[2] At the outset of the hearing the parties request argument and evidence be carried forward from roll number 1075308 to this roll number, as applicable.

Preliminary Matters

[3] There were no preliminary matters.

Background

[4] The subject property is a two building multi-tenant industrial complex located in the south east. The first building has 31,800 square feet on the main floor with 2,639 square feet of office. The second building has 25,200 square feet on the main floor with 3,040 square feet of office. Both buildings have an effective year built of 1979 and are in average condition. The site coverage for the property is 41%.

Issue(s)

[5] Is the assessment of the subject property too high when compared to other similar properties?

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 Complainant presented evidence, Exhibit C-1, and argument for the Board’s review and took the position that the subject property is assessed too high when compared to other similar properties.

[8] The Complainant submitted eight sales comparables for the Board’s consideration (C-1 p. 2). All of the comparables were from the south side and most ranged in age from 1977 to 1979, with one being originally built in 1961. Most of the sales comparables were single building properties, with two sales comparables having 2 buildings, and one having 4 buildings. The sales comparables ranged in total building size from 38,373 square feet to 97,743 square feet. Their site coverage ranged from 25% to 44% and their Time Adjusted Sale Prices (TASP) ranged from \$78.75 to \$113.47 per square foot.

[9] The Complainant submitted a Board Order (*CVG v The City of Edmonton*, [2012], ECARB 1849) for the subject property, in which the 2012 assessment was reduced to \$85 per square foot. According to the Respondent this reduction was in part based on two comparables, also included in C-1 as comparables #3 and #7.

[10] The Complainant noted that its sales comparables #4, #5 and #6 are located on major roadways and would require a downward adjustment.

[11] Placing the most weight on its sales comparables with more similar physical and location characteristics, namely #2, #3, #5, #7 and #8, the Complainant considered that a market value of \$90 per square foot is reasonable.

[12] In conclusion, the Complainant requested the 2013 assessment of the subject property be reduced to \$5,130,000.

Position of the Respondent

[13] The Respondent's brief, Exhibit R-1 contained the City of Edmonton's 2013 Industrial Warehouse Assessment Brief. In this brief, the Respondent listed the factors affecting the value in the warehouse inventory, in declining importance, as: total main floor area, site coverage, effective age, condition, location, main floor finished area, and upper finished area.

[14] The Respondent provided 5 sales in support of the 2013 assessment of the subject property. Four of the sales were common to roll number 1075308 with one new comparable being included. All of the sales were from the same neighborhood while sales comparables #3 and #4 were single building properties. Four of the five comparables were of approximately the same effective year with sales comparable # 3 being 10 years older than the subject property. The Respondent's chart showed that adjustments for site coverage would be required for all of the comparables with comparable #5 having only 13% site coverage. Main floor area for the comparables ranged from 41,991 to 63,093 square feet. The TASP per square foot ranged from \$95 to \$125.

[15] The Respondent submitted that some of the sales comparables provided by the Complainant should not be considered by the Board in that they may require adjustments to make them comparable to the subject property. The Respondent noted that the Complainant's sales comparable #8 was in fair condition. It was also submitted by the Respondent that the Complainant's comparables, in some cases, greatly differed in size.

[16] The Respondent requested the Board to confirm the assessment.

Decision

[17] The decision of the Board is reduce the assessment to \$5,643,000.

Reasons for the Decision

[18] The Board understands that the factors affecting value in the warehouse inventory, given in the Respondents 2013 Industrial Warehouse Brief are weighted. That is, the factors given in order from most important to least 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 floor finished area (per building).

[19] Most of the sales comparables presented to the Board required adjustments to make them comparable to the subject property. The Board notes that with more extensive adjustments, the results were less reliable for establishing the assessment values for the subject property.

[20] However, the Board places greater weight on the three comparables presented by the Complainant where the TASP was less than the subject's assessment while still requiring a downward adjustment as suggested by the Respondent. The TASP's for the three comparables were \$79, \$87 and \$105 per square foot, below the assessment of the subject at \$108 per square foot.

[21] The Board also finds that two of the Complainant's sales comparables, requiring an upward adjustment, had a TASP of \$92 and \$95 per square foot. The Board was not presented with any evidence to indicate any amount of adjustment, quantitative or qualitative therefore could not determine to what extent any adjustment would be.

[22] The Complainant's six sales comparables were close in effective year built making them comparable to the subject property. Both parties presented comparables which required some adjustment for site coverage with the exception of the Respondent's sales comparable #5 which had low site coverage of 13%.

[23] The Board noted that the Complainant's sales comparable #8 was in fair condition, based on foundation and plumbing issues identified in the sales validation report provided by the Respondent.

[24] Relying on the relative comparability of the Respondent's sales comparables #1, #2 and the Complainant's sales comparables #3 and #7, the Board determined that a fair and equitable assessment for the subject property is \$99 per square foot for an assessment of \$5,643,000.

Dissenting Opinion

[25] 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.