

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01725

Assessment Roll Number: 9561259
Municipal Address: 4030 78 AVENUE NW
Assessment Year: 2013
Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
John Noonan, Presiding Officer
John Braim, Board Member
Pam Gill, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer, the parties before the Board indicated no objection to the Board's composition. In addition, the Board Members indicated no bias with respect to this file.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property is a 16,925 square feet (sf.) multi tenant office/warehouse with 11,888 sf. of main floor office space and 3,800 sf of mezzanine space. It was built in 2006 and covers 22% of a 55,247 sf. lot at 4030-78 Avenue in the Weir Industrial neighbourhood. The 2013 assessment was prepared by the direct sales comparison approach in the amount of \$3,139,500. The Complainant requested the Board to reduce the assessment to \$2,196,000.

Issue(s)

[4] Is the subject assessed correctly?

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 noted the current assessment equates to a value of \$200.12 per sf. Twelve sales comparables were presented, as well as their assessments per sf. where available. Attention was drawn to five of these comparables in particular, selected for similarity in physical and locational characteristics. The sizes ranged from 21,050 sf. to 29,492 sf. and site coverages were 26%, 26%, 29%, 16% and 35%. Their time-adjusted sales prices ranged from \$96.48 per sf. to \$139.73 per sf.

[7] The assessments of the five selected comparables ranged from \$132.89 per sf. to \$174.32 per sf.

[8] The Complainant concluded a value of \$140 per sf. for the subject was a fair estimate of the market value of the subject, and asked the assessment be reduced to \$2,196,000.

Position of the Respondent

[9] The Respondent advised that the industrial inventory had been valued by the sales comparison approach, analyzing sales that occurred from January 2008 through June 2012. Factors found to affect value were: total main floor area (per building), site coverage, effective age, condition, location, and to a lesser extent, main floor finished area (office) and upper office area.

[10] In defense of the assessment, the Respondent presented five sales comparables, two of which were located in the same study area as the subject, Core South. Where appropriate, various attributes of these comparables were highlighted as being superior or inferior to the subject in terms of age, site coverage, or total building area. The comparables were selected for average to under-average site coverage, showing a range of 13% - 28% versus the subject's 22%. It was

noted that two of the five were of older construction, 1964 and 1981, and the five showed a range of building size from 10,050 sf. to 17,879 sf. Their time-adjusted sales prices ranged from \$197.15 to \$251.45 per sf. of total building area, compared to the subject's \$200.12 per sf.

[11] The Respondent critiqued the sales comparables presented by the Complainant, noting the following:

- i. Sale #1 was a duress sale
- ii. Sale #4 was a non arm's length transaction
- iii. Sale #8, was originally optioned to purchase on October 4, 2010
- iv. Sales #4, #5, #11 and #12 were the only ones newer than 2000

Decision

[12] It is the decision of the Board to confirm the 2013 assessment at \$3,139,500

Reasons for the Decision

[13] The Board was not persuaded by the Complainant's sales comparables. The most similar comparable in terms of size, age and site coverage was #1. However, it was nine years older and almost 11,000 sf bigger, furthermore, the lease rates were below market at sale date and was it was deemed a motivated sale.

[14] The Respondent's sales #1, #2 and #5 were similar to the subject's size, age and site coverage, and additionally had similar proportion of office space. The Board found the Respondent's sales were convincing and defended the subject's assessment at \$200 per sf successfully.

[15] The Board found that the Complainant did not provide sufficient and compelling evidence to show that the subject was unfairly or inequitably assessed and in comparison, the Respondent provided sales comparables that supported the assessment of the subject at \$3,139,500.

Dissenting Opinion

[16] There was no dissenting opinion.

Heard commencing November 13, 2013.

Dated this 10th day of December, 2013, at the City of Edmonton, Alberta.

A handwritten signature in dark ink, appearing to read 'J Noonan', written over a horizontal line.

John Noonan, Presiding Officer

Appearances:

Tom Janzen

for the Complainant

Amy Cheuk

Marty Carpentier

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.