

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01734**

**Assessment Roll Number:** 9974451

**Municipal Address:** 3404 78 AVENUE NW

**Assessment Year:** 2013

**Assessment Type:** Annual New

Between:

**CVG**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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**DECISION OF**  
**Harold Williams, Presiding Officer**  
**James Wall, Board Member**  
**Randy Townsend, Board Member**

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### **Procedural Matters**

[1] There were no procedural matters. The Board members stated that they had no bias in regard to this complaint. Parties before the Board indicated no objection to the composition of the Board.

### **Preliminary Matters**

[2] There were no preliminary matters.

### **Background**

[3] The subject property under complaint is classified by the City as industrial warehousing and is located at 3404 78 Avenue NW within the Weir Industrial subdivision. The property contains five buildings, four built in 1982 and a fifth built in 1999. Total building area is 143,990 square feet. The subject property was valued by the city using the Direct Sales Comparison approach resulting in a 2013 assessment of \$17,206,500.

### **Issue(s)**

[4] Is the 2013 assessment of the subject property fair and equitable when considering the sales of comparable property?

## **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 provided the Board with an evidentiary document (Exhibit C-1) containing information on the sales of properties that the Complainant stated were similar to the subject property.

[7] Exhibit C- 1, page 1 showed a listing of fifteen properties that sold between February 2009 and July 2012. The number of buildings on these properties ranged from one to four in comparison to five buildings on the subject property, and total building square footage ranged from 72,557 square feet to 463,730 square feet. Site coverage for the eight properties ranged from 28% to 54% in comparison to the subject property at 35%. Time adjusted sale prices ranged from \$74.95 per square foot to \$128.37 per square foot and the listing showed 2013 assessments ranging from \$65.46 per square foot to \$132.93 per square foot in comparison to the subject property at \$119.50 per square foot. The Complainant used the City’s time adjustment chart to adjust sales comparisons to current value. (Exhibit C-1, page 24).

[8] The Complainant informed the Board, in summation, that they placed the most weight on the Complainant’s comparison sales #10, #11, and #12. The Complainant also pointed out that the 2013 assessment for these comparables appeared much lower than the time adjusted sale price, which did not indicate equity.

[9] The Complainant also argued that there should be little weight given to the Respondent’s position that there can be significant differences in value depending on whether a property contains one building or multiple buildings. The Complainant argued that the market is primarily interested in total available building square footage on a property and may not be concerned about how many buildings make up the total square footage.

[10] The Complainant’s evidence included copies of two previous Edmonton Assessment Review Board (ECARB) decisions on the subject property. These resulted from complaints filed

regarding the 2011 and 2012 assessments of the subject property. The decision related to *CVG v The City of Edmonton*, [2011] CARB 9974451 resulted in a decision to reduce the 2011 assessment from \$16,620,000 to \$13,912,000. *CVG v The City of Edmonton*, [2012] ECARB 2206 reduced the 2012 assessment of the subject property from \$15,737,000 to \$15,453,000.

[11] The Complainant provided a rebuttal document (Exhibit C-2) that listed the sales comparables provided by the Respondent as well as the 2013 assessments for these properties. The Complainant argued that the differences between the sales values and the assessment amounts shown indicated that the comparables would not be reliable.

[12] In summation, the Complainant critiqued the Respondent's sales comparables pointing out that many adjustments to the comparables would be required to bring them closer in similarity to the subject property. Some of the adjustments pointed out were for age of buildings, site coverage, property access/exposure, and building size.

[13] Finally the Complainant argued that the fifteen sales comparisons provided in Exhibit C-1 showed that the subject property was assessed too high by comparison and asked the Board to reduce the 2013 assessment for the subject property to \$12,959,000.

### **Position of the Respondent**

[14] The Respondent provided the Board with evidentiary document (Exhibit R-1) containing information on Mass Appraisal, Factors Affecting Value, The City's assessment process, Fee Simple Estate concepts, Assessment Sales Ratios, Property Characteristics and Law and Legislation governing assessment in Alberta. The document also provided information on the sales of properties the Respondent stated were similar to the subject property and information on assessments for properties similar to the subject property.

[15] Exhibit R-1, page 26 showed a listing of three properties that sold between November 2009 and July 2011. The number of buildings on these properties ranged from one to eleven in comparison to five buildings on the subject property. Total building square footage ranged from 100,018 square feet to 291,285 square feet. Site coverage for the three properties ranged from 34% to 42% in comparison to the subject property at 35%. Time adjusted sale prices ranged from \$134.14 per square foot to \$156.16 per square foot.

[16] Exhibit R-1, page 32 (Equity Comparables) showed the 2013 assessments of five properties which the Respondent argued were very close in similarity to the subject property and showed that the subject property received an equitable assessment when compared to these five similar properties.

[17] The Respondent indicated to the Board that they wished to carry forward from roll # 8873630 information as listed in paragraph 14 above, except the information on property sales and assessment equity comparisons. This includes information from Exhibit R-1, page 8 outlining the Respondent's position that multiple buildings on a property are an important factor affecting value for reasons of construction cost, income of different sizes of bays, subdivision potential, site configuration, various building exposures and conditions, and overall building size and interior finish.

[18] In summation, the Respondent critiqued the sales comparison information provided by the Complainant arguing that many adjustments to these comparisons would be needed to make them similar to the subject property. Some of the adjustments suggested were for location, building age and size and site coverage. The Respondent pointed particularly to the Complainant's sale #1 as being a multi parcel sale, sale #6 having an issue with excess land, # 8 having a roof repair issue and retail use, # 13 indicating rents below market, #14 being vacant at time of sale, and #9 being under renovation.

[19] The Respondent pointed out that both parties had difficulty finding sales of properties that could be considered very similar to the subject property, and that being the case it would be up to the Complainant to provide sufficient information to indicate that the assessment should be changed. The Respondent argued that in this case it may be more helpful to look at assessment equity to determine the fairness and equity of the assessment for the subject property.

[20] Finally, the Respondent argued that the sales comparison's provided by them and the assessment equity examples provided showed that the 2013 assessment for the subject property is fair and equitable and asked that the assessment be confirmed.

### **Decision**

[21] The decision of the Board is to confirm the 2013 assessment of the subject property at \$17,206,500.

### **Reasons for the Decision**

[22] Board reviewed the sales comparisons information provided by both parties and the assessment equity information provided by the Respondent. The Board also considered the argument from both parties concerning the effect of multiple buildings on property value. The Board agrees with the Respondent's information that multiple buildings may be a factor affecting value but noted that neither party could quantify the amount of effect or conversely that there would be no effect on value.

[23] The Board was not able to find convincing information from the Complainant's sales comparables to indicate a need to adjust the assessment for the subject property. Many of the comparables were in a different location in the City. The significant adjustments for age, site coverage, and size would be enough so as to question overall comparability of the properties. The Board did concentrate on the Complainant's sales #5, #10, #11, and #12 that showed more comparability to the subject. Sale #5 showed comparability issues of site coverage and size and was a one building property as opposed to the subject's five buildings. Sales #10,11,and 12 although closer in age , site coverage and size were all west end locations in the city and showed the same comparability issue of being one or two building properties compared to the subject's five buildings.

[24] The Board was also not able to rely on the Respondent's sales comparisons. Of the three sales comparisons provided by the Respondent, #1 showed significant comparability issues of location, age, size, and number of buildings while #2 and #3 showed significant enough comparability issues around building size and particularly age so as to not be helpful in indicating value for the subject property.

[25] The Board reviewed the Assessment Equity comparables (Exhibit R-1, page 32) and also found that many of the comparables would require significant adjustment to be very similar to the subject property.

[26] Finally, the Board had difficulty in finding definitive information from either party that could show a clear comparative value to the subject property. In this case the Board did not find that the Complainant had provided definitive information to show a need to alter the assessment of the subject property and therefore the Board's decision was to confirm the 2013 assessment for the subject property.

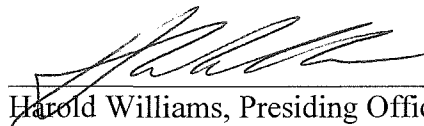
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**Dissenting Opinion**

[27] There was no dissenting opinion.

Heard commencing October 23, 2013.

Dated this 7<sup>th</sup> day of November, 2013, at the City of Edmonton, Alberta.

  
Harold Williams, Presiding Officer

**Appearances:**

Tom Janzen  
for the Complainant

Marty Carpentier, Assessor  
Tanya Smith, Legal Counsel  
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.*