

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01745

Assessment Roll Number: 9552993

Municipal Address: 4504 81 AVENUE NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

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

Procedural Matters

[1] There were no procedural matters. The Board members stated that they had no bias in regard to this complaint nor was there any objection from the Respondent or Complainant as to the composition of the Board.

Preliminary Matters

[2] There were no preliminary matters before the Board.

Background

[3] The subject property consists of three office/warehouse buildings with a total floor area of 77,681 Sq. ft. (Bldg #1 - 23,075 sq. ft., Bldg #2 - 23,998 sq. ft., Bldg #3 - 30,608 sq. ft.). The buildings were all built in 1976. Only Bldg #3 has a small mezzanine finished area of 1,448 Sq. ft. Site coverage is 43%. The subject is currently assessed at \$103.17 per sq. ft. Lot size is 4.05 acres.

[4] The subject is located in the City's Study Area (SA) #18 in South East Edmonton in the Morris Industrial subdivision. The property backs onto the Sherwood Park Freeway but has no direct access to it, except at 50th St. Since the property sits on a corner lot the three buildings all have street access along 46th St and therefore, are not given a rear building adjustment.

Issue(s)

[5] Is the 2013 assessment of the subject property fair and equitable when considering the sales of 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 provided the Board with six sales comparables (Exhibit C-1, pg 1). Three of the comparables are located in west Edmonton in SA #17. The other three comparables are in SA #18. All comparables have been time-adjusted in accordance with the City of Edmonton’s time-adjustment chart (Exhibit C-1, pg 20). All sales information is from documentation from “The Network”, a third party data collection and analysis service.

[8] Three of the Complainant’s comparables are single building parcels, two have two buildings on site and one has four buildings. The Complainant stated that having multiple buildings on a parcel does not necessarily add extra value to an investor and, in the Complainant’s opinion, may, in some cases, actually be a detriment.

[9] Time-adjusted sale prices (TASP) for the six comparables range from a low of \$80.05 per sq. ft. to a high of \$103.11 per sq. ft. The average is \$89.50 per sq. ft. and the median is \$90.33 per sq. ft. The subject property at \$107.99 per sq. ft.

[10] The Complainant placed most weight on their sales #3, #5 and #6. No sales are common with the Respondent’s sales comparables.

[11] Sale #2 is located on 51st Ave, which is considered to be a major roadway by the City. This property sold in May 2010 for a time-adjusted selling price (TASP) of \$103.11, which is lower than the subject property. Major roadway properties generally sell for more than properties not on major roadways.

[12] Based on the sales comparable information presented to the Board it is the Complainant's opinion that an appropriate assessment per sq. ft. for the subject property is \$85.00 for a total assessed valuation of \$6,602,500 (rounded).

[13] In Rebuttal (Exhibit C-2, 6 pages) the Complainant provided to the Board information to show that the Respondent's sales comparables are currently assessed at between \$88.06 and \$112.53 per sq. ft. Three of the five comparisons are lower than the subject \$88.06, \$98.10 and \$101.29). This, in the Complainant's opinion, indicates that, when all adjustments are made, the subject property is over assessed.

Position of the Respondent

[14] In defense of the assessment, the Respondent presented to the Board Exhibit R-1, 57 pages. Pages 4 to 14 are the City of Edmonton's "Mass Appraisal of Industrial Warehouses" brief, which includes maps showing the various SA's used by the City. This brief is common to most responses to appeals of industrial properties and therefore comments were carried forward by the Respondent from roll #8873630.

[15] Also common are City briefs titled "Assumed Long-Term Leases" and "Property Assessment Law and Legislation" (Exhibit R-1, pages 46 – 58). These pages, and the comments about them, were also carried forward.

[16] The Respondent provided the Board with five sales comparables (Exhibit R-1, pg 26). Two of these sales are in SA #18, the same as the subject, one in SA#12 (major roadway) and two in SA #17 (West Edmonton). Sales #1, #2 and #3 each have two buildings on the parcel and the other two only have one building each. TASP range from \$101.30 to \$122.88 per sq. ft. Site coverage's of the comparables range from 34% to 45% (subject is 43% site coverage). The Respondent pointed out to the Board that lower site coverage of an industrial property generally means a higher selling price per sq. ft.

[17] The Respondent also provided the Board with four equity comparables (Exhibit R-1, pg 33). These comparables are all in SA #18, with site coverage's of 38 – 44% and all multi building parcels. Assessments per sq. ft. range from \$107.58 to \$117.96 per sq. ft. (subject is \$103.17 per sq. ft.).

[18] The Respondent placed the most weight on their sales #1 and #2. They noted to the Board that both these properties have smaller main floor areas than the subject but have superior office finish. Ages of the comparables are similar to the subject but sale #1 has lower site coverage at 36%. Sale #1 has a TASP of \$112.53, which the Respondent pointed out, would be expected after adjusting to the subject. Sale #2, at \$101.30 per sq. ft., is just slightly below the subject.

[19] The Respondent's sale #4 is on a major roadway and has a large retail component. This, according to the Respondent, is why the comparable has a TASP of \$122.88 per sq. ft.

[20] The Respondent's comparable sale #3 and sale #5 are both located in North West Edmonton (SA #17), which is considered by the City to be a slightly inferior area to the subject in SA 18. In spite of this, both of these comparables have TASP's higher than the subject.

[21] The Respondent asked the Board to place little to no weight on the Complainant's sale #3 as this building had some structural issues at the time of sale that likely influenced the price paid.

[22] In summation, the Respondent stated to the Board that the sales comparables, when properly adjusted, are superior to the Complainant's comparables and provide the best evidence that the assessment is fair and equitable. The Respondent asked that the assessment be confirmed.

Decision

[23] The 2013 assessment of the subject property is confirmed at \$8,014,500.

Reasons for the Decision

[24] Of all of the sales comparables presented by both parties, it is the opinion of the Board that sales #1 and #2 from the Respondent are the best comparables, overall. They require very few adjustments and are located in the same SA. The TASP of #1 is \$112.53 and sale #2 is at \$101.30. Both of these support the assessment of the subject at \$103.17 per sq. ft.

[25] The equity comparables (Exhibit R-1, pg 31) presented by the Respondent, also carried some weight with the Board decision. These properties are very similar to the subject, in most areas of comparison, and fall into a very tight range of \$101.30 to \$122.88 per sq. ft. (actual assessment). This, in the Board's opinion, indicates that the subject property is being equitably assessed.

[26] The Complainant's sale #1 is more than double the size of the subject and was built in 1998, which is 22 years newer than the subject.

[27] The Complainant's sales #1 and #2 have significantly different site coverage (54% and 28% respectively) than the subject at 43%. Sale #2 is also much older having been built in 1961.

[28] The Board agrees with the Respondent that the Complainant's sale #3 should not be used for the reasons mentioned by the Respondent.

[29] The Board placed limited weight on the Complainant's sales #4, #5 and #6, as they are significantly larger than the subject (137,062, 110,652 and 115,318 sq. ft. respectively) and are located in SA 17, which is considered slightly inferior to the subject study area (18).

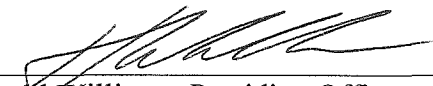
[30] In the Board's opinion, the Complainant's Rebuttal, particularly in the first three sales listed, tended to support the assessment rather than show that the subject is assessed too high.

Dissenting Opinion

[31] There was no dissenting opinion.

Heard commencing October 23, 2013.

Dated this 7th 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.