

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01762

Assessment Roll Number: 3805157

Municipal Address: 14939 112 Avenue NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Robert Mowbrey, Presiding Officer

Howard Worrell, Board Member

Judy Shewchuk, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer, the parties indicated they had no objection to the composition of the Board. In addition, the members of the Board stated they had no bias in respect of this matter.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject is a two building 24,181 square foot multi-tenant office/warehouse built in 1973. Building one consists of 17,102 square feet including 749 square feet of finished mezzanine space. Building two consists of 7,079 square feet with no finished mezzanine space. The subject is situated on a 59,322 square foot lot in the High Park Industrial neighbourhood with site coverage of 39%. It is an L-shaped property with access to 112 Avenue and to 149 Street, a major arterial roadway. The property receives a 10% adjustment for diminished access from 149 Street and is assessed on the direct sales comparison approach at \$2,826,000 or \$116.87 per square foot.

Issue

[4] Does the assessment reflect the market value of the subject?

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 submitted an evidence package (Exhibit C-1, 31 pages) which presented thirteen sales comparables. The comparables ranged in age from 1956/1969 to 1989/2006, four of which were two-building properties. The building ranged in size from 14,319 to 84,854 square feet, and the site coverages ranged from 16% to 63%. The time-adjusted sale prices (TASP) ranged from \$61.57 to \$104.29 per square foot.

[7] The Complainant stated that the best comparables were #1 at 15404-121A Avenue; #2 at 16440-130 Avenue; #3 at 11565-149 Street; #6 at 11570-154 Street; and #9 at 16815-117 Avenue. These comparables had TASP of \$103.04, \$104.29, \$98.79, \$80.66, and \$63.64 per square foot respectively.

[8] The Complainant also submitted copies of two previous CARB decisions in which the Board reduced the 2011 assessment to \$2,176,000 and the 2012 assessment to \$2,297,500. The Complainant time-adjusted these figures to \$101.73 per square foot for the 2011 assessment and to \$98.86 per square foot for the 2012 assessment.

[9] The Complainant asked that the Board reduce the 2013 assessment to \$100 per square foot for a total of \$2,418,000.

Position of the Respondent

[10] The Respondent submitted an assessment brief (exhibit R-1, 66 pages) which presented nine sales comparables. The effective ages ranged from 1961 to 1977/2006 (on a two-building site). Building size ranged from 16,797 to 66,720 square feet, while site coverage ranged from 19% to 53%. The TASP ranged from \$75 to \$177 per square foot.

[11] The Respondent's comparable #2 at 11565-149 Street was the same as the Complainant's comparable #3 and the Respondent's comparable #9 at 15845-112 Avenue was the same as the Complainant's comparable #8.

[12] The Respondent also presented evidence to show that four of the Complainant's comparables should not be considered by the Board as they were non-arm's length transactions, duress sales or industrial condos (exhibit R-1, p. 12; 22-41).

[13] The Respondent argued that each year's assessment is independent of previous years and that the CARB is not bound by previous years' decisions.

[14] The Respondent asked that the Board confirm the 2013 assessment at \$2,826,000.

Decision

[15] The decision of the Board is to reduce the 2013 assessment of \$2,826,000 to \$2,418,000 or \$100 per square foot.

Reasons for the Decision

[16] The Board found that the Complainant's comparable #1 at 15404-121A Avenue, #12 at 12603-123 Street, and #13 at 14620-112 Avenue were non-arm's length sales. Sale #4 at 14308-118 Avenue was a duress sale, and #5 at 14640-115 Avenue was an industrial condominium. The Board did not consider these properties valid sales for comparison purposes.

[17] The Complainant's comparable #9 was much larger than the subject and had higher site coverage. The Board placed little weight on this comparable.

[18] The Complainant's comparables #2 and 6 were reasonably similar to the subject in age, size, and site coverage and supported a reduction in the assessment of the subject.

[19] The Board placed limited weight on the Respondent's comparables 1, 3, 4, 5, 6, 7, 8, and 9 as they varied greatly in age, size, site coverage, building count, location, and TASP's. As a result, these sales would each require significant adjustments to render them comparable to the subject.

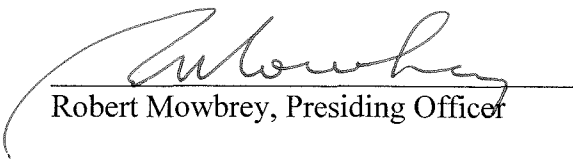
[20] Considering all of the comparables presented by both parties the Board found the Complainant's #3 at 11565-149 Street (also the Respondent's comparable #2) to be the most compelling. This common comparable sold at \$99 per square foot and while the Respondent argued that an upward adjustment was required the Board was not presented with an appropriate amount of adjustment. The Board noted, however, that it was in the same neighbourhood group as the subject. Hence, the Board applied the \$100 requested by the Complainant and arrived at a reduced 2013 assessment of \$2,418,000.

Dissenting Opinion

[21] There was no dissenting opinion.

Heard commencing October 8, 2013.

Dated this 5th day of NOVEMBER 2013, at the City of Edmonton, Alberta.


Robert Mowbrey, Presiding Officer

Appearances:

Tom Janzen
for the Complainant

Luis Delgado
Nancy Zong
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.