

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01763

Assessment Roll Number: 1537307
Municipal Address: 16135 114 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 38,369 square foot multi-tenant office/warehouse built in 1971. It is situated on a 2.39 acre site in the Sheffield Industrial neighbourhood with site coverage of 37%. The subject is assessed on the direct sales comparison approach at \$3,324,500 or \$86.65 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, 23 pages) which presented eight sales comparables. The comparables ranged in age from 1958 to 1990. The sizes ranged from 22,323 to 57,490 square feet and the site coverages from 28% to 55%. The time-adjusted sale prices (TASP) ranged from \$63.95 to \$82.38 per square foot.

[7] The Complainant stated that the best comparables were #2 at 13007-149 Street, #3 at 17407-106 Avenue, #4 at 14308-118 Avenue, and #8 at 14350-123 Avenue. These comparables had TASPs of \$80.13, \$82.38, \$63.95, and \$79.14 per square foot respectively (C-1, page 1).

[8] The Complainant also submitted the executive summary of a June 2010 appraisal of the subject (C-1, pages 17-23). The appraisal stated the value of the subject as follows:

- a. Based on the Income Approach – Overall Income Capitalization: \$2,480,000
- b. Based on the Income Approach – Discounted Cash Flow Analysis: \$2,390,000
- c. Based on the Direct Comparison Approach: \$2,460,000.

[9] In summary the Complainant pointed out that sale #8 at 14350-123 Avenue occurred in June 2012, close to valuation date, at a rate of \$79 per square foot, thereby supporting the request to reduce the assessment of the subject to \$75 per square foot or \$2,877,500.

Position of the Respondent

[10] The Respondent submitted an assessment brief (Exhibit R-1, 49 pages) which presented seven sales comparables. The effective ages ranged from 1961 to 1992 and total building square footage ranged from 24,540 to 44,651 square feet. The site coverages ranged from 19% to 53%, and the TASPs from \$75 to \$131 per square foot.

[11] The Respondent stated that the best comparables were #5 at 12930-148 Street, #6 at 17407-106 Avenue (the same as the Complainant's #3), and #7 at 15845-112 Avenue. These comparables had TASPs of \$106, \$85, and \$91 per square foot respectively.

[12] The Respondent argued that the Complainant's comparable #4 at 14308-118 Avenue was a duress sale; #6 at 12603-123 Street was a non-arms length sale; and #5 at 11570-154 Street and 11604-154 Street was a multi-parcel sale and included cost buildings and therefore not valid sales for comparison purposes.

[13] The Respondent asked that the Board confirm the 2013 assessment at \$3,324,500.

Decision

[14] The decision of the Board is to confirm the 2013 assessment of \$3,324,500.

Reasons for the Decision

[15] The Board was not persuaded by the executive summary of the Complainant's appraisal as it was incomplete and lacked sufficient detail or supporting documentation to support a reduction in the assessment of the subject.

[16] The Board found that the Complainant's comparable #4 at 14308-118 Avenue was a duress sale; #6 at 12603-123 Street was a non-arm's length sale; and #5 at 11570-154 Street and 11604-154 Street was a multi-parcel sale and included cost buildings. The Board did not consider these properties valid sales for comparison purposes.

[17] The Board noted that the Complainant's comparable #3 at 17407-106 Avenue was the same as the Respondent's comparable #6. Although there was discrepancy in the size of the property and therefore the TASP per square foot, the Board found that both \$82.38 (the Complainant's figure) and \$85.00 (the Respondent's figure) supported the assessment of the subject.

[18] The Board noted that the \$63.95 per square foot TASP of the Complainant's comparable #4 at 14308-118 Avenue was significantly lower than both the assessment and the Complainant's request. The Board also took note of the evidence at C-1, page 11 and R-1, page 20 which suggests that the property had a high vacancy and that the seller may have been motivated to sell. Accordingly the Board placed little weight on that comparable.

[19] The Board examined the Complainant's sale #8 at 14350-123 Avenue and found that due to the differences in size and site coverage an upward adjustment would be required to more accurately compare it to the subject. The Board gave this comparable some weight.

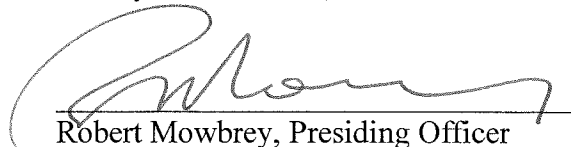
[20] The Board placed most weight on the Complainant's comparables #2 at 13005-149 Street, #3 at 17407-106 Avenue (also the Respondent's comparable #6), and #8 at 14350-123 Avenue together with the Respondent's comparables #5 at 12930-148 Street and #7 at 15845-112 Avenue. The Board found that these comparables, with TASP ranging from \$79.14 to \$106.00, support the assessment of the subject at \$86.65 per square foot, being at the low end of the range.

Dissenting Opinion

[21] There was no dissenting opinion.

Heard October 8, 2013.

Dated this 31st day of OCTOBER, 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.