

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01767

Assessment Roll Number: 2194504

Municipal Address: 14520 118 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 12,749 square foot multi-tenant office/warehouse built in 1965. It includes 600 square feet of finished mezzanine space. The subject is situated on a .652 acre site in the Dominion Industrial neighbourhood with site coverage of 43%. The subject is assessed on the direct sales comparison approach and considered in fair condition. It is assessed at \$1,326,000 or \$104 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, 27 pages) which presented eleven sales comparables, all in average condition. The comparables ranged in age from 1956/69 to 1979. Building size ranged from 12,997 to 32,240 square feet, while the site coverage ranged from 16% to 63%. The time-adjusted sale prices (TASP) ranged from \$61.57 to \$103.56 per square foot.

[7] The Complainant stated that the best comparables were #1 at 10646-178 Street, #4 at 13007-149 Street, #8 at 15845-112 Avenue, #9 at 15635-112 Avenue, and #11 at 14620-112 Avenue. These comparables had TASP of \$77.79, \$80.13, \$91.50, \$61.57, and \$66.99 per square foot respectively.

[8] The Complainant also submitted copies of two CARB decisions in which the Board reduced both the 2011 and 2012 assessments to \$1,084,000. The Complainant time-adjusted these figures to \$96.08 per square foot for the 2011 assessment and to \$88.45 per square foot for the 2012 assessment.

[9] The Complainant asked that the Board reduce the 2013 assessment to \$80 per square foot for a total of \$1,019,500.

Position of the Respondent

[10] The Respondent submitted an assessment brief (Exhibit R-1, 52 pages) which presented nine sales comparables, eight of which were in average condition and one in fair condition. The effective ages ranged from 1959 to 1988, and the total building sizes ranged from 7,764 to 16,797 square feet. The site coverages ranged from 17% to 55%, while the TASP ranged from \$102 to \$194 per square foot.

[11] The Respondent stated that the best comparables were #1 at 11836-142 Street, #2 at 11430-142 Street, #3 at 15217-118 Avenue, #4 at 16831-107 Avenue, and #5 at 10911-170 Street as all were situated on major arterial roadways, as is the subject. The TASP for these comparables were \$169, \$144, \$184, \$179, and \$194 per square foot respectively. The Respondent stated that even with downward adjustments for age, size, and site coverage the TASP of the comparables support the assessment of the subject at \$104 per square foot.

[12] The Respondent confirmed that the subject was in fair, not average, condition. In response to a question by the Board the Respondent stated that the difference in value between fair and average condition is approximately 10%.

[13] The Respondent also presented evidence to show that three 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; 22-27).

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

[15] The Respondent asked that the Board confirm the 2013 assessment at \$1,326,000.

Decision

[16] The decision of the Board is to confirm the 2013 assessment of \$1,326,000.

Reasons for the Decision

[17] The Board placed little weight on the previous years' CARB decisions as sales comparable details from those decisions were not presented as evidence in this hearing.

[18] The Board found that the Complainant's comparable #5 at 14308-118 Avenue was a duress sale; #6 at 14640-115 Avenue was an industrial condominium; and #11 at 14620-112 Avenue was a non-arm's length sale. The Board did not consider these properties valid sales for comparison purposes.

[19] The Board was not persuaded by the Complainant's comparables #2, #3, #4, #7, #8, #9, and #10 as they were not situated on major arterial roadways and would require upward adjustments in order to be compared to the subject, which is on a main arterial roadway.

[20] The Board was also not persuaded by the Respondent's comparables #6, #7, #8, and #9 as they too were not situated on major arterial roadways and would therefore require adjustments.

[21] The Board considered the Respondent's sales #1, #2, #3, #4, and #5, all situated on major roads. However, most required adjustments to account for differences in age, size, and site coverage. The sale most comparable to the subject was sale #2 at 11430-142 Street with a TASP of \$144. This comparable required only a downward adjustment for its superior condition.

[22] The Board noted that the Complainant's sale #7 at 11660-147 Street was the same as the Respondent's sale #8 but placed limited weight on it as it was not situated on a major road, was newer, and had higher site coverage than the subject.

[23] The Board was left with:

- a. the Complainant's sale #1 which was reasonably close to the subject in site coverage but which required an upward adjustment from its TASP of \$80 per square foot to account for its newer age, larger size, and superior condition;
- b. the Respondent's sale #2 at 11430-142 Street with a TASP of \$144 requiring downward adjustment.

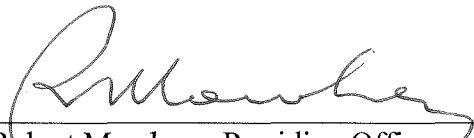
The Board found that the assessment of the subject at \$104 per square foot was well within the range of the Complainant's sale #1 and the Respondent's sale #2 and therefore reasonable.

Dissenting Opinion

[24] 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.