

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01769**

**Assessment Roll Number:** 4278842  
**Municipal Address:** 17804 105 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**

**Robert Mowbrey, Presiding Officer**  
**Howard Worrell, Board Member**  
**Judy Shewchuk, Board Member**

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#### **Procedural Matters**

[1] Upon questioning by the Presiding Officer, the parties indicated that they had no objection to the Board. In addition, the Board members indicated that they had no bias on this file.

#### **Preliminary Matters**

[2] There were no preliminary matters.

#### **Background**

[3] The subject property is located at 17804 105 Avenue in the Wilson Industrial neighborhood. It is a two-building multi-tenant office/warehouse property containing a total of 73,086 square feet. Both buildings were built in 1995 and are in average condition. The subject is part of industrial group 17 and has a site coverage of 41%.

[4] The subject property was assessed on the market value approach and the 2013 assessment is \$98.00 per square foot or \$7,140,500.

#### **Issue**

[5] Is the 2013 assessment in excess of market value?

#### **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 filed this complaint on the basis that the assessment of \$7,140,500 is in excess of market value. In support of this position, the Complainant presented a 19 page disclosure package marked as Exhibit C-1.

[8] The Complainant provided the Board with photographs and maps of the subject property (Exhibit C-1 pages 3-6).

[9] The Complainant presented the Board with ten sales comparables that have been time-adjusted, using the City of Edmonton’s time-adjustment schedule, from the date of sale to the valuation date (Exhibit C-1 page 1). The time-adjusted sale price per square foot of these comparables ranged from \$63.64 to \$103.04 per square foot while the site coverage ranged from 28% to 55%. The comparables ranged in size from 25,200 square feet to 84,854 square feet.

[10] During argument and summation, the Complainant stated that the most weight should be placed on his sales comparables 1, 5, 6 and 7. These sales are most similar to the subject in terms of physical characteristics and support a market value of \$80.00 per square foot.

[11] The Complainant requested that the Board reduce the 2013 assessment from \$7,140,500 to \$5,846,500.

### **Position of the Respondent**

[12] The Respondent defended the 2013 assessment by providing the Board with a 57 page disclosure package marked as Exhibit R-1.

[13] The Respondent provided photos, maps and the detailed assessment sheets of the subject property (Exhibit R-1 pages 15-23).

[14] To support the City of Edmonton’s assessment of \$7,140,500 or \$98 per square foot, the Respondent presented a chart of eight sales comparables. The comparables ranged in effective year built from 1971 to 2006. The total building areas of the sales ranged from 11,225 square feet to 71,598 square feet. The time-adjusted sale price per square foot of total floor area ranged from \$80.51 to \$131 per square foot (Exhibit R-1 page 26).

[15] The Respondent also advised the Board that two of the Complainant's sales were non-arm's length transactions, and one sale included special financing terms in addition to being a *post facto* sale. In the Respondent's view these sales were not valid for comparison purposes.

[16] The Respondent referred the Board to the use of averages (R-1, page 11) and cautioned their use can be misleading when weighing sales and that a qualitative approach should be used.

[17] The Respondent advised the Board the factors that affect value in the warehouse inventory are as follows: total main floor area (per building), site coverage, effective age (per building), condition (per building), location of the property, main floor finished area, as well as upper finished area (per building) (Exhibit R-1 page 8- 10). The Board was told that location ranked fifth on the list of the seven ranked factors.

[18] In summary, the Respondent stated that his valid sales support the assessment at \$98.00 per square foot. The Respondent requested that the Board confirm the assessment of \$7,140,500.

### **Decision**

[19] The decision of the Board is to confirm the 2013 assessment of \$7,140,500.

### **Reasons for the Decision**

[20] The Board found that the majority of the sales comparables from each party required numerous adjustments in value.

[21] Of the Respondent's four multi-building sales comparables, only one (# 3 sale at 16104 114 Avenue) was in the same neighborhood as the subject. This sale had smaller site coverage but had a similar building size at 66,720 square feet versus the subject at 73,087. It had a TASP of \$114.41 that supported the assessment of the subject property at \$98 per square foot. With the 2013 assessment of the subject property at \$98, the Board was satisfied that a downward adjustment for this property was needed to address the site coverage at 34% versus 41% of the subject.

[22] Two of the sales comparables provided by the Complainant were identified as being non-arm's length, and another sale sold with special financing arrangements. As such, these comparables were not considered valid for comparison purpose by the Board. The Complainant provided only one sale that was a multi-building property and that sale comparable included a cost building. The Board placed minimal weight on these sales.

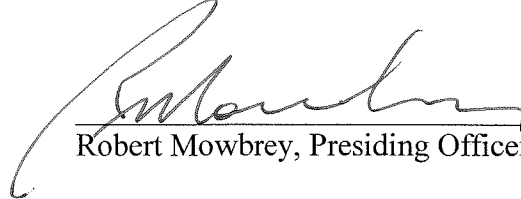
[23] The onus is on the Complainant to provide sufficient and compelling evidence to show the incorrectness on an assessment. The Complainant did not provide sufficient or compelling evidence such that the Board could conclude the assessment is incorrect.

**Dissenting Opinion**

[24] There were no dissenting opinions.

Heard commencing October 9, 2013.

Dated this 5<sup>th</sup> day of NOVEMBER, 2013, at the City of Edmonton, Alberta.

  
Robert Mowbrey, Presiding Officer

**Appearances:**

Tom Janzen  
for the Complainant

Jason Baldwin  
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.*