

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01770

Assessment Roll Number: 4240784

Municipal Address: 17903 106 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 that they had no objection to the composition of 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 17903 106 Avenue Street in the Wilson Industrial neighborhood. It is a multi-tenant office/warehouse property containing a total of 38,438 square feet. It was built in 1994 and is in average condition. The subject is part of industrial group 17 and has a site coverage of 53%.

[4] The subject property was assessed on the market value approach and the 2013 assessment is \$98.08 per square foot or \$3,770,000.

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 \$3,770,000 is in excess of market value. In support of this position, the Complainant presented a 17 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 3-5).

[9] The Complainant presented the Board with nine 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 \$68.40 to \$103.04 per square foot while the site coverage ranged from 28% to 55%. The comparables also ranged in size from 25,200 square feet to 57,490 square feet.

[10] During argument and summation, the Complainant stated that the most weight should be placed on his sales 3, 6, 7, 8 and 9. These properties are the most similar to the subject in terms of physical characteristics and support a market value of \$90.00 per square foot.

[11] The Complainant also advised the Board that his sale #7 and the Respondent's sale # 3 were the same.

[12] The Complainant requested that the Board reduce the 2013 assessment from \$3,770,000 to \$3,459,000.

Position of the Respondent

[13] The Respondent defended the 2013 assessment by providing the Board with a 47 page disclosure package marked as Exhibit R-1.

[14] The Respondent provided photos, maps and the detailed assessment sheets of the subject property (Exhibit R-1 pages 15-19).

[15] To support the City of Edmonton's assessment of \$3,770,000 or \$98 per square foot, the Respondent presented a chart of six sales comparables. The sales ranged in effective year built from 1965 to 1989. The total building areas ranged from 24,198 square feet to 57,344 square

feet. The time-adjusted sale price per square foot of total floor area ranged from \$79 to \$127 per square foot (Exhibit R-1 page 23).

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

[17] The Respondent advised the Board that 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 two comparables with in excess of 50% site coverage, 15845 112 Ave at \$91 per square foot and 10646 178 Street at \$127 per square foot, support the assessment. Therefore, the Respondent requested that the Board confirm the assessment of \$3,770,000.

Decision

[19] The decision of the Board is to confirm the 2013 assessment of \$3,770,000.

Reasons for the Decision

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

[21] The Board considered the two comparables of the Respondent at 15845 112 Avenue and 10646 178 Street, and the two comparables of the Complainant at 13005 149 street and 12110 142 Street, as well as the common sale of both parties at 14350 123 Avenue. These sales ranged from \$127 to \$79 per square foot and averaged \$91 per square foot. Though below the 2013 assessment of the subject property at \$98, the Board was satisfied that upward adjustments were needed for all these five comparables to make them equal to the subject.

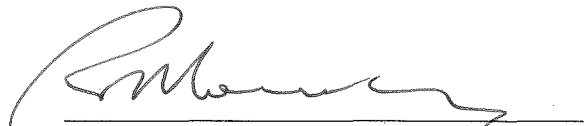
[22] The onus is on the Complainant to provide sufficient and compelling evidence to show the incorrectness on an assessment. The Board finds that the Complainant did not provide sufficient or compelling evidence such that the Board could conclude the assessment was incorrect.

Dissenting Opinion

[23] There were no dissenting opinions.

Heard commencing October 9, 2013.

Dated this 5th 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.