

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01771**

**Assessment Roll Number:** 4150397

**Municipal Address:** 17965 106 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 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 located at 17965 106 Avenue is a multi-tenant office/warehouse property containing a total of 20,232 square feet. It was built in 1994 and is in average condition. The subject is located in the Wilson Industrial neighborhood, industrial group 17, and has a site coverage of 56%.

[4] The subject property was assessed on the market value approach and the 2013 assessment is \$111.00 per square foot or \$2,241,000.

### **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 \$2,241,000 is in excess of market value. In support of this position, the Complainant presented a 16 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 eight 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 sales ranged from \$61.57 to \$104.29 per square foot compared to the subject at \$110.77, while the site coverage ranged from 16% to 63% compared to the subject at 54%. The sales also ranged in size from 14,319 square feet to 32,240 square feet compared to the subject at 20,332 square feet.

[10] During rebuttal (C-2) the Complainant provided the 2013 assessments of the sales comparables provided by the Respondent in their evidence package R-1. These show the 2013 Assessments of four of the City of Edmonton Sales Comparables (Exhibit R-1, page 25) ranging from \$74.18 to \$109.37 per square foot. The fifth sale at 12245 Fort Road, the Complainant stated, was not on line and therefore the assessment could not be provided. The remaining four comparables further support the requested \$90.00 per square foot of the subject property.

[11] During argument and summation, the Complainant stated that the most weight should be placed on his sales 4, 5 and 6, which are most similar to the subject in terms of physical characteristics.

[12] The Complainant requested that the Board reduce the 2013 assessment from \$2,241,000 to \$1,820,500.

### **Position of the Respondent**

[13] The Respondent defended the 2013 assessment by providing the Board with a 55 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 15-22).

[15] To support the City of Edmonton's assessment of \$2,241,000 or \$111 per square foot, the Respondent presented a chart of five sales comparables. The sales ranged in effective year built from 1965 to 1983 compared to the subject's effective age of 1994. The total building areas of the sales comparables ranged from 16,797 square feet to 32,248 square feet compared to the subject's size of 20,232 square feet. The time-adjusted sale price per square foot of total floor area ranged from \$80 to \$113 per square foot compared to the subject at \$111 (Exhibit R-1 page 25).

[16] A chart of six equity comparables was provided by the Respondent to further support the 2013 assessment (R-1 page 31). These properties ranged in age from 1990 to 2000, and site coverage ranged from 41 to 52% as compared to the subject at 56%. Total building sizes ranged from 17,699 square feet to 24,794 square feet. The 2013 assessments per square foot ranged from \$102 to \$124 per square foot. The Respondent stated that these equity comparables support the 2013 assessment of the subject property at \$111 per square foot.

[17] In summary, the Respondent stated that both the City's sales and equity comparables were in group 17 (as was the subject) and support the 2013 assessment. The Respondent requested that the Board confirm the assessment of \$2,241,000.

### **Decision**

[18] The decision of the Board is to confirm the 2013 assessment of \$2,241,000.

### **Reasons for the Decision**

[19] Three of the eight sales comparables provided by the Complainant and identified as being a duress sale, a non-arm's length sale and an industrial condo were not considered valid for comparison purpose by the Board. Of the five remaining sales of the Complainant, one was in a different neighborhood; and three had substantially lower site coverage. Of the remaining property at 11660 147 Street, though it had similar site coverage, it was 20 years older than the subject and significantly smaller (12,860 square feet compared to 20,232 square feet). The Board placed minimal weight on these sales as adjustments would be needed to compare these properties to the subject.

[20] A review of the Respondent's sales comparables, though somewhat tighter in site coverage, showed that all were older than the subject. The Board placed minimal weight on these sales as adjustments would be needed to compare them to the subject.

[21] The Board reviewed both the Complainant's and the Respondent's oral and written testimony and found that the majority of the sales comparables from each party required numerous adjustments in value that were often not adequately substantiated by the evidence.

[22] In reviewing the rebuttal evidence from the Complainant at Exhibit C-2, page 1, the Board placed little weight on these assessments as significant adjustments would be needed to make them comparable to the subject property.

[23] The Respondent's equity comparables were all in the same neighborhood, close in effective age, had similar site coverages, and similar total building size. They ranged in 2013

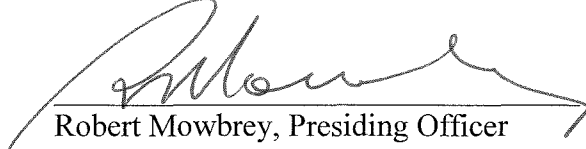
assessment values from \$102 to \$124 per square foot and averaged \$114 per square foot. The Board placed the most weight on these equity comparables as they required minimal adjustments. These comparables support the 2013 assessment of the subject property at \$111 per square foot.

**Dissenting Opinion**

[24] There were no dissenting opinions.

Heard commencing October 9, 2013.

Dated this 31<sup>ST</sup> day of OCTOBER 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.*