

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01772

Assessment Roll Number: 1561364

Municipal Address: 10323 178 Street 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 10323 178 Street in the Stone Industrial neighborhood. It is a multi-tenant office/warehouse containing a total of 49,109 square feet. It was built in 1986, and is in average condition. The subject is part of industrial group 2 and has a site coverage of 42%.

[4] The subject property was assessed on the market value approach and the 2013 assessment is \$92.20 per square foot or \$4,528,000.

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 \$4,528,000 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 3-6).

[9] The Complainant presented the Board with 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 comparables ranged from \$68.40 to \$85.65 per square foot compared to the subject at \$92.20, while the site coverage ranged from 28% to 55% compared to the subject at 42%. The sales also ranged in size from 25,200 square feet to 57,490 square feet compared to the subject at 49,109 square feet.

[10] During argument and summation, the Complainant stated that the most weight should be placed on his sales comparables 3, 4 and 5. These properties have the most similar physical characteristics when compared to the subject and support a market value of \$80.00 per square foot.

[11] The Complainant requested that the Board reduce the 2013 assessment from \$4,528,000 to \$3,928,500.

Position of the Respondent

[12] The Respondent defended the 2013 assessment by providing the Board with a 49 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 15-22).

[14] To support the City of Edmonton’s assessment of \$5,528,000 or \$92 per square foot, the Respondent presented a chart of five sales comparables. The sales ranged in effective year built from 1971 to 1989. The total building areas of the sales ranged from 19,893 square feet to 44,651

square feet. The time-adjusted sale price per square foot of total floor area ranged from \$85 to \$177 per square foot compared to the subject at \$92 (Exhibit R-1 page 23).

[15] 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.

[16] 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.

[17] The Respondent advised the Board that the Complainant's sale 5 was a non-arm's length transaction and that sale 8 included special financing and was a *post-facto* sale. As such, these properties were not comparable to the subject (Exhibit R-1, page 23; 35-36).

[18] During his summary the Respondent stated that 60% of the market is owner occupied and that vacancy rates have an impact on the sale price when parties negotiate the sale of properties in the industrial inventory.

[19] In summary, the Respondent stated that his comparables support the assessment in the range of value from \$177 to \$85 per square foot. Therefore, the Respondent requested that the Board confirm the recommended assessment of \$4,528,000.

Decision

[20] The decision of the Board is to confirm the 2013 assessment of \$4,528,000.

Reasons for the Decision

[21] Two of the eight sales comparables provided by the Complainant and identified as being a non-arm's length sale and a sale with special financing arrangements were not considered valid for comparison purposes by the Board. Of the six remaining sales of the Complainant, five were in different neighborhood districts and all were older buildings (1965-1979 versus the subject at 1986). The Board placed minimal weight on these sales.

[22] The Board found that the majority of the sales comparables from each party required numerous adjustments in value that were not adequately quantified by the evidence.

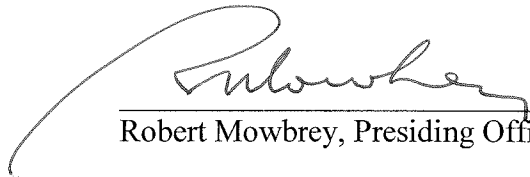
[23] The onus is on the Complainant to provide sufficient and compelling evidence to show the incorrectness on an assessment. The Board is satisfied the Complainant did not provide sufficient nor compelling evidence to demonstrate the assessment was incorrect.

Dissenting Opinion

[24] 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.