

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01776

Assessment Roll Number: 4278859

Municipal Address: 17904 105 Avenue NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Tom Eapen, Presiding Officer

Jack Jones, Board Member

Robert Kallir, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer, the parties did not object to the composition of the Board. The Board members stated they had no bias with regard to this file.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property is classified as a two building multi-tenant office / warehouse with a total area of 73,039 sq. ft. The effective year built is 1997/1998. The lot size is 131,373 sq. ft. The subject is located in the Wilson Industrial subdivision in the Northwest and the municipal address is 17904-105 Avenue, NW Edmonton.

Issue

[4] Does the 2013 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 289(1) Assessments for all property in a municipality, other than linear property, must be prepared by the assessor appointed by the municipality.

(2) Each assessment must reflect

(a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and

(b) the valuation and other standards set out in the regulations for that property.

s 293(1) In preparing an assessment, the assessor must, in a fair and equitable manner,

(a) apply the valuation and other standards set out in the regulations, and

(b) follow the procedures set out in the regulations.

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.

[6] The *Matters Relating to Assessment and Taxation Regulation, Alta Reg 220/2004 (MRAT)* reads:

s 2 An assessment of property based on market value

(a) must be prepared using mass appraisal,

(b) must be an estimate of the value of the fee simple estate in the property, and

(c) must reflect typical market conditions for properties similar to that property.

s 3 Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.

Position of the Complainant

[7] The Complainant filed this complaint on the basis that the subject property's assessment at \$7,260,000 exceeds the best estimate of market value. In support of this position, the Complainant presented the Board with an 18 page evidence package marked as Exhibit C1.

[8] The Complainant presented the Board with photographs and maps detailing the subject property (Exhibit C-1 pages 3-7).

[9] The Complainant advised the Board that the assessment for the subject property was prepared using the direct sales comparison approach. The Complainant provided the Board with five sales comparables. The comparables ranged from 1972 to 2006 in year of construction. The building sizes ranged from 47,052 square feet to 84,854 square feet and site coverage ranged from 34% to 58% compared to the site coverage of the subject property at 44%. The sales dates ranged from November 2011 to October 2012 and the time-adjusted sale price per square foot ranged from \$63.64 to \$99.73 compared to the 2013 assessment of the subject property at \$99.40 per square foot.

[10] The Complainant also presented the same five properties as equity comparables (Exhibit C-1, page 1) in support of the 2013 assessment of the subject property. These assessments ranged in value from \$66.79 to \$96.88 per square foot.

[11] During argument and summation, the Complainant stated that the most weight should be placed on his sales #2 and 5. These sales, which are most similar in terms of physical and locational characteristics, supported a market value of \$90.00 per square foot.

[12] The Complainant requested that the Board reduce the 2013 assessment from \$7,260,000 to \$6,573,500.

Position of the Respondent

[13] The Respondent presented evidence (Exhibit R-1, 55 pages) and argument for the Board's review and consideration.

[14] The Respondent outlined the mass appraisal methodology for valuing properties in the industrial inventory as well as the factors affecting value (Exhibit R-1, pages 4 to 14). The Respondent indicated that the main factors affecting value in warehouse properties in descending order are: Main Floor Area, Site Coverage, Effective Age, Condition and Location.

[15] The Respondent provided photos, maps and the detailed assessment sheets of the subject property (Exhibit R-1 pages 12-17).

[16] To support the City of Edmonton's assessment of \$7,260,000 or \$99.40 per square foot, the Respondent presented a chart of three sales comparables. The sales ranged in effective year built from 1977 to 2006. The total building areas of the sales ranged from 59,655 square feet to 66,720 square feet. The time-adjusted sale price per square foot of total building area ranged from \$101.30 to \$115.41 (Exhibit R-1 page 21).

[17] The Respondent also presented a critique of the Complainant's sales comparables (Exhibit R-1, page 21) indicating that two of the five sales comparables (#4 and 5) were *post-facto* sales (after the valuation date of July 1, 2012) and should not be considered as valid sales for comparison purposes. The Respondent noted that two of the remaining three sales comparables presented by the Complainant (#1 & 3) required upward adjustments for site coverage and age. The Complainant's sale #2 was also used by the Respondent (sale #1) and supported the 2013 assessment of the subject property.

[18] The Respondent also presented eight equity comparables (Exhibit R-1, page 25) in support of the 2013 assessment of the subject property. These assessments ranged in value from \$97.70 to \$117.48 per square foot and in site coverage from 34% to 44%.

[19] In summary the Respondent requested the 2013 assessment of the subject property at \$7,260,000 be confirmed.

Decision

[20] The Board confirms the 2013 assessment at \$7,260,000.

Reasons for the Decision

[21] After review and consideration of the evidence and argument presented by both parties the Board finds the 2013 assessment of the subject property at \$7,260,000 to be fair and equitable.

[22] In reviewing the five sales comparables presented by the Complainant (Exhibit C-1, page 1 & R-1, page 21) the Board noted that two of the five sales comparables (#1 & 3) required upward adjustments. Two of the three remaining sales are *post facto* sales and therefore not valid for comparison purposes. The last sale was also used by the Respondent and supports the 2013 assessment of the subject property.

[23] The Board placed greatest weight on the sales comparables presented by the Respondent (Exhibit R-1, page 21) as being most similar to the subject property with respect to size and site coverage which are acknowledged as being the two largest influences on value. These comparables support the unit valuation of the subject property at \$99.40 per square foot.

[24] In addition the Board found that the equity comparables presented by the Respondent (Exhibit R-1, page 25) taking into account building size, site coverage, age, condition and location provided further support for the 2013 assessment of the subject property.

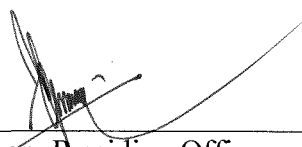
[25] At an assessment appeal, as determined in *Calgary (City) v Alberta (Municipal Government Board)* 2010 ABQB 719, the ultimate burden of proof or onus rests with the Appellant to convince the Board that their argument, facts, and evidence are more credible than those of the Respondent.

Dissenting Opinion

[26] There was no dissenting opinion.

Heard commencing November 4, 2013.

Dated this 28th day of November, 2013, at the City of Edmonton, Alberta.



Tom Eapen, Presiding Officer

Appearances:

Tom Janzen, Canadian Valuation Group
for the Complainant

Cherie Skolney, Assessor, City of Edmonton
Joel Schmaus, Assessor, City of Edmonton
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.