

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01777

Assessment Roll Number: 4150223

Municipal Address: 17834 106A 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 an Industrial Property with a floor area of 22,942 sq. ft. It was built in 1993. The lot size is 46,772 sq. ft. The subject is located in the Wilson Industrial subdivision in the Northwest and the municipal address is 17834-106A Avenue, NW, Edmonton.

Issue

[4] Does the 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 of \$2,534,000 exceeds the best estimate of market value. In support of this position, the Complainant presented the Board with a 17 page evidence package marked as Exhibit C-1.

[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 nine sales comparables. The sales ranged from 1964 to 2006 in year of construction. The building sizes ranged from 14,319 square feet to 50,797 square feet and site coverage ranged from 26% to 63% compared to the site coverage of the subject property at 37%. The sale dates ranged from June 2009 to September 2012 and the time-adjusted sale price per square foot ranged from \$66.99 to \$104.29 compared to the 2013 assessment of the subject property at \$110.45 per square foot.

[10] During argument and summation, the Complainant stated that the most weight should be placed on his sales 1, 3, 6 and 7. These sales, which are most similar in terms of physical and locational characteristics, supported a market value of \$95.00 per square foot.

[11] The Complainant requested that the Board reduce the 2013 assessment from \$2,534,000 to \$2,179,000.

Position of the Respondent

[12] The Respondent defended the 2013 assessment by providing the Board with a 65 page disclosure package marked as Exhibit R-1.

[13] 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.

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

[15] To support the City of Edmonton's assessment of \$2,534,000 or \$110.45 per square foot, the Respondent presented a chart of four sales comparables. The sales ranged in effective year built from 1986 to 1992. The total building areas of the sales ranged from 13,994 square feet to 32,354 square feet. The time-adjusted sale price per square foot of total building area ranged from \$127.49 to \$150.07. The site coverage of these buildings ranged from 24% to 50% (Exhibit R-1 page 21).

[16] The Respondent also presented a critique of the Complainant's sales comparables (R-1, page 21) indicating that five of the nine sales (#1, 2, 4, 8 & 9) were problematic and should not be considered as valid sales for comparison purposes. The support for this critique was provided in R-1, pages 26 to 35. The Respondent noted that the Complainant's four remaining sales comparables supported the 2013 assessment of the subject property when the required adjustments are made for size, site coverage and age.

[17] In summary the Respondent requested the 2013 assessment of the subject property be confirmed at \$2,534,000.

Decision

[18] The Board confirms the 2013 assessment of \$2,534,000

Reasons for the Decision

[19] After review and consideration of the evidence and argument presented by both parties the Board finds the 2013 assessment of the subject property at \$2,534,000 to be appropriate.

[20] In reviewing sales comparables presented by the Complainant and the Respondent (C-1, page 1 & R-1, page 21) the Board noted that after the five sales of the Complainant critiqued as questionable by the Respondent were removed, the remaining four sales did not provide sufficient evidence to convince the Board to amend the 2013 assessment of the subject property when the required adjustments were made for size, site coverage and age. With respect to the said five sales, being numbers 1, 2, 4, 8 and 9, the Board noted that two were non-arm's length sales; one was a duress sale and two were different property classifications than the subject property.

[21] The Respondent's sales comparables #1 to 3 (Exhibit R-1, page 21) provided sufficient evidence in regards to age, size and price per square foot support the 2013 assessment of the subject property at \$110.45 per square foot.

[22] 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.

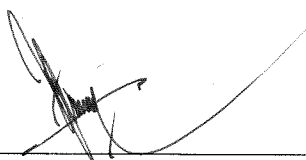
The Board finds 2013 assessment of the subject property at \$5,340,000 is fair.

Dissenting Opinion

[23] 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.