

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01781

Assessment Roll Number: 1481506
Municipal Address: 11220 153 Street 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 before the Board stated that they had no objection to the Board's composition. In addition, the Board Members stated that they had no bias with respect to this file.

Background

[2] The subject property is a 19,461 square foot, two building office / warehouse, built in 1976 and is located in the High Park Industrial neighbourhood. The subject property has been assessed for 2013 using the direct sales comparison approach to valuation.

Issue

[3] Is the 2013 assessment of the subject property at \$2,121,000 fair and equitable?

Legislation

[4] 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.

[5] 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

[6] The Complainant presented evidence (Exhibits C-1 & C-2) and argument for the Board's review and consideration.

[7] The Complainant presented seven sales and equity comparables (Exhibit C-1, page 1) in support of a requested reduction in the 2013 assessment of the subject property from \$108.99 to \$70.00 per square foot.

[8] The Complainant stated that the best comparables to the subject property were numbers 1, 3 and 5. The site coverage for these three comparable properties ranged from 38% to 49% compared to the site coverage of the subject property at 45%. The time adjusted sale price for these comparables ranged from \$61.57 to \$66.99 per square foot and the 2013 assessments of the same comparables ranged from \$77.00 to \$108.41 per square foot.

[9] The Complainant presented Exhibit C-2 in support of the argument that multiple building properties sell for a similar value to single building properties of similar size but are assessed at significantly different values with the multiple building property being assessed at a higher unit value. The Complainant stated that the subject property, being a two building property is being over assessed under this methodology.

[10] The Complainant critiqued the Respondent's sales comparables (Exhibit R-1, page 25) noting that sales #1 to 4 were located in southeast Edmonton whereas the subject property is located in the northwest. Sales #3, 4 and 7 were significantly newer than the subject building, sale #5 was to undergo a renovation into office space and sale #6 was a purchase by a long-term tenant.

[11] In summary the Complainant requested the 2013 assessment of the subject property be reduced from \$2,121,000 to \$1,362,000.

Position of the Respondent

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

[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] In support of the 2013 assessment of the subject property at \$108.99 per square foot the Respondent presented seven sales comparables (Exhibit R-1, page 25). The site coverage of these seven comparable properties ranged from 30% to 56% compared to the site coverage of the

subject property at 45%. The time-adjusted sales price for these comparables ranged from \$101.71 to \$174.35 per square foot.

[15] The Respondent also presented a critique of the Complainant's sales comparables (Exhibit R-1, page 25) stating that four of the seven sales comparables (#1, 5, 6, & 7) were problematic and should not be considered as valid sales for comparison purposes. The support for this critique was provided in Exhibit R-1, pages 48 to 52.

[16] The Respondent also presented five equity comparables (Exhibit R-1, page 33) in support of the 2013 assessment of the subject property. These assessments ranged in value from \$105.54 to \$127.07 per square foot and in site coverage from 24% to 47%.

[17] In summary the Respondent requested the 2013 assessment of the subject property be confirmed at \$2,121,000.

Decision

[18] The decision of the Board is to confirm the 2013 assessment of the subject property at \$2,121,000 as fair and equitable.

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 \$2,121,000 to be appropriate.

[20] In reviewing sales comparables presented by the Complainant (Exhibits C-1, page 1 & R-1, page 25) the Board found that the properties that were the most comparable to the subject property with respect to size, site coverage, age and location were the Respondent's #5 and 6 and the Complainant's #2. These three sales values of \$113.32, \$101.71 and \$101.94 per square foot supported the 2013 assessment of the subject property at \$108.99 per square foot.

[21] In addition the Board found that the equity comparables presented by the Respondent (R-1, page 33) taking into account building size, site coverage, age, condition and location provided further support for the 2013 assessment of the subject property.

[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.

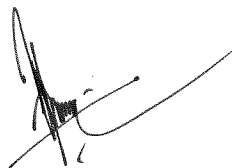
[23] The Board finds that the 2013 assessment of the subject property at \$2,121,000 is fair and equitable.

Dissenting Opinion

[24] 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.