

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01784

Assessment Roll Number: 4150298

Municipal Address: 17963 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 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.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject is classified as an Industrial Property with a floor area of 17,699 sq. ft. It was built in 1995. The lot size is 39,812 sq. ft. The subject property is a multi-tenant office warehouse building located in the Wilson Industrial subdivision in the Northwest and the municipal address is 17963-106A Avenue.

Issue

[4] Does the 2013 assessment reflect the market value of the subject property?

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 \$2,195,500 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 referred the Board to 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 (Exhibit C-1, page 1). The comparables ranged from 1964 to 2006 in year of construction. The building sizes ranged from 14,319 square feet to 50,797 square feet and the site coverage ranged from 16% to 63% compared to the site coverage of the subject at 44%. The sales dates ranged from June 2009 to September 2012 and the time-adjusted sales price per square foot ranged from \$66.99 to \$104.29 compared to the 2013 assessment of the subject property at \$124.05 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 \$100.00 per square foot.

[11] The Complainant requested that the Board reduce the 2013 assessment from \$2,195,500 to \$1,769,500.

Position of the Respondent

[12] The Respondent presented evidence (Exhibit R-1, 68 pages) 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] The Respondent provided photos, maps and the detailed assessment sheets of the subject property (Exhibit R-1 pages 12-18).

[15] In support of the 2013 assessment of the subject property at \$124.05 per square foot the Respondent presented six sales comparables (Exhibit R-1, page 22). The site coverage of these six comparable properties ranged from 19% to 56% compared to the site coverage of the subject

property at 44%. The time-adjusted sales price for these comparables ranged from \$101.71 to \$161.86 per square foot.

[16] The Respondent also presented a critique of the Complainant's sales comparables (Exhibit R-1, page 22) indicating that five of the nine sales comparables (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 29 to 38. The Respondent noted that the remaining three sales presented by the Complainant (3, 5, 6 & 7) were much older than the subject property and 7 had far lower site coverage than the subject.

[17] In summary the Respondent requested that the 2013 assessment of the subject property be confirmed at \$2,195,500.

Decision

[18] The Board confirms the 2013 assessment of \$2,195,500.

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 \$2,195,500 to be appropriate.

[20] Two of the comparables provided by the Complainant were critiqued by the Respondent as they were classed as non-arm's length transactions, one was classed as a duress sale and two had different property classifications than the subject property and as such these comparables were problematic as far as being comparable to the subject property.

[21] In reviewing the sales comparables presented by the Complainant (C-1, page 1 & R-1, page 22) the Board noted that after the five sales referred to in paragraph 20 critiqued as questionable by the Respondent were removed, the remaining sales lacked comparability to the subject property with respect to site coverage and age.

[22] The Board placed more weight on the sales comparables presented by the Respondent than those presented by the Complainant as they were more similar to the subject property with respect to size, site coverage, age and condition and supported the 2013 assessment of the subject property at \$124.05 per square foot.

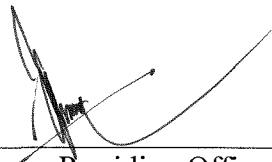
[23] At an assessment appeal, as determined in *Calgary (City) v Alberta (Municipal Government Board)* 2010 ABQB 719, the ultimate burden of proof or onus rests with the Appellant to convince the Board that their argument, facts, and evidence are more credible than those of the Respondent.

Dissenting Opinion

[24] There was no dissenting opinion.

Heard commencing November 5, 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.