

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01788**

**Assessment Roll Number:** 1554252  
**Municipal Address:** 10685 176 Street NW  
**Assessment Year:** 2013  
**Assessment Type:** Annual New

Between:

**CVG**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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**DECISION OF**  
**Tom Eapen, Presiding Officer**  
**Jack Jones, Board Member**  
**Robert Kallir, Board Member**

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### **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 property consists of a single tenant office/warehouse building containing a total of 19,851 square feet located in the McNamara Industrial neighborhood. The building was constructed in 1978. The subject property has been assessed for 2013 using the direct sales comparison approach to valuation.

### **Issue**

[4] Is the 2013 assessment of the subject property at \$2,247,000 fair and equitable?

### **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 presented evidence (Exhibit C-1) and argument for the Board's review and consideration.

[8] The Complainant presented thirteen sales and equity comparables (Exhibit C-1, page 1) in support of a requested reduction in the 2013 assessment of the subject property from \$113.19 to \$95.00 per square foot.

[9] The Complainant stated that the best comparables to the subject property set out in Exhibit C-1 were numbers 1, 2, 3, 4, 5 and 6. The site coverage for these six comparable properties ranged from 24% to 33% compared to the site coverage of the subject property at 27%. The time-adjusted sale price for these six comparables ranged from \$76.32 to \$130.93 per square foot and the 2013 assessments of the same six comparables ranged from \$113.54 to \$157.14 per square foot.

[10] The Complainant referred the Board to 2012 ECARB 1181 (ECARB 1181), the Board's decision concerning the 2012 assessment of the subject property (Exhibit C-1 pages 34-38). The Complainant advised the Board that the 6 comparables noted in paragraph 16 of ECARB 1181 were the same as the six comparables described by the Complainant as its best six comparables. The Complainant time-adjusted the unit values from ECARB 1181 to derive a value of \$93.65 per square foot as of July 2013.

[11] The Complainant critiqued the Respondent's sales comparables (R-1, page 21) noting that sales #5, 6 and 8 were located in southeast Edmonton; only comparable # 1 was close in building square footage to the subject property and comparable # 4 was in a different neighborhood zone to that of the subject property.

[12] In summary the Complainant requested the 2013 assessment of the subject property be reduced from \$2,247,000 to \$1,885,500.

### **Position of the Respondent**

[13] The Respondent presented evidence (Exhibit R-1) 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 5 to 15). The Respondent stated that the main factors affecting value in warehouse properties in descending order are: Main Floor Area, Site Coverage, Effective Age, Condition and Location.

[15] In support of the 2013 assessment of the subject property at \$113.19 per square foot the Respondent presented eight sales comparables (Exhibit R-1, page 21). The site coverage of these eight comparable properties ranged from 19% to 37% compared to the site coverage of the subject property at 27%. The time-adjusted sales price for these comparables ranged from \$111.85 to \$161.86 per square foot.

[16] The Respondent also presented a critique of the Complainant's sales comparables (Exhibit R-1, page 21) stating that three (numbers 2, 3 and 6) of the best six comparables as stated by the Complainant 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 30 to 32.

In addition, sale comparables #7, 11, 12 and 13 of the Complainant were problematic and should not be considered as valid sales for comparison purposes. The support for this critique was provided in R-1, pages 33 to 42.

[17] The Respondent also presented seven equity comparables (Exhibit R-1, page 43) in support of the 2013 assessment of the subject property. These assessments ranged in value from \$110.11 to \$116.45 per square foot and in site coverage from 27% to 34%.

[18] In summary the Respondent requested the 2013 assessment of the subject property be confirmed at \$2,247,000.

### **Decision**

[19] The decision of the Board is to confirm the 2013 assessment of the subject property at \$2,247,000 as fair and equitable.

### **Reasons for the Decision**

[20] After review and consideration of the evidence and argument presented by both parties the Board finds the 2013 assessment of the subject property at \$2,247,000 to be appropriate.

[21] In reviewing sales and equity comparables presented by both the Complainant and Respondent (Exhibit C-1, page 1 & Exhibit R-1, pages 21 and 43) the Board found that in determining the fairness and equity of the assessment of the subject property the properties that were the most comparable to the subject property with respect to size, site coverage, age and location were the Respondent's seven equity comparables.

[22] Seven of the comparable properties provided by the Complainant were problematic as two were classed as non-arm's length sales, two were classed as duress sales, two were different property classifications than the subject property and one was classed as a lease interest sale.

[23] Taking into account the variations in building size, building composition, site coverage and age of both the Complainant's and Respondent's sales comparables (other than those comparables of the Complainant designated as problematic by the Respondent) the Board was of the opinion that the City's sales comparables were more compelling in determining the fairness of the assessment of the subject property.

[24] Assessments for each assessment year are independent of previous assessments. As such, the Board did not put any weight on ECARB 1181.

[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.

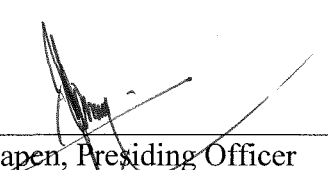
[26] The Board finds that the 2013 assessment of the subject property at \$2,247,000 is fair and equitable.

**Dissenting Opinion**

[27] There was no dissenting opinion.

Heard commencing November 4, 2013.

Dated this 28<sup>th</sup> day of November, 2013, at the City of Edmonton, Alberta.



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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.*