

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01789**

**Assessment Roll Number:** 1482306

**Municipal Address:** 11245 154 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] The Respondent stated that it had not provided its disclosure to either the Board or the Complainant as the City had no record of receiving the disclosure of the Complainant. The Complainant provided a facsimile transmission to both the City and the Board of the Complainant's disclosure, sent to both the Board and the City, dated September 23, 2013 (Exhibit C-1). The Respondent did not contest the said facsimile being entered as Exhibit C-1. The Respondent requested an adjournment to file its disclosure. The Complainant stated that it was not prepared to agree to an adjournment and requested that the matter proceed as scheduled.

[3] The Board adjourned to consider the failure of the Respondent to file its disclosure as required by s. 9(2) of the *Matters Relating to Assessment Complaints Regulation*, Alta Reg 310/2009 (MRAC) and the request by the Complainant that the appeal should proceed as scheduled.

[4] After considering the position of both the Complainant and the Respondent, the Board ruled that, as the Complainant was not prepared to agree to an adjournment and requested that the matter proceed as scheduled, the appeal should proceed. Further, pursuant to section 9(2) of MRAC, the Board would not hear any evidence that had not been disclosed by the Respondent as required.

## **Background**

[5] The subject property is a 17,004 square foot, two building office / warehouse, built in 1971 / 1981 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**

[6] Is the 2013 assessment of the subject property at \$2,003,000 fair and equitable?

## **Legislation**

[7] 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.

[8] 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**

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

[10] The Complainant presented seven sales and equity comparables (Exhibit C-2, page 1) in support of a requested reduction in the 2013 assessment of the subject property from \$117.80 to \$70.00 per square foot.

[11] 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 40%. 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.

[12] In summary the Complainant requested the 2013 assessment of the subject property be reduced from \$2,003,000 to \$1,190,000.

### **Position of the Respondent**

[13] The Respondent presented argument for the Board's review and consideration.

[14] The Respondent critiqued the Complainants best three sales comparables (Exhibit C-2, page 1). The Respondent stated that the high variance between the assessments and the time-adjusted sale prices for sales 1 and 5 brought into question the sale details with respect to vacancy and leases. The Respondent further argued that sale 3 was a 1956 building whereas the buildings on the subject were built in 1971 and 1981.

[15] In summary the Respondent requested that the 2013 assessment of the subject property be confirmed at \$2,003,000.

## **Decision**

[16] The decision of the Board is to reduce the 2013 assessment of the subject property from \$2,003,000 to \$1,190,000.

## **Reasons for the Decision**

[17] After review and consideration of the evidence and argument presented by both parties the Board finds the 2013 assessment of the subject property at \$2,003,000 is not appropriate.

[18] The Board placed most weight on sales comparables 1, 3 and 5 provided by the Complainant as they were similar to the subject property with respect to size and site coverage, which are generally accepted as being important factors influencing value.

[19] The three sales comparables noted above supported the Complainant's requested reduction in the unit valuation of the subject property from \$117.80 to \$70.00 per square foot, which the Board applied to the subject building area of 17,004 square feet to derive a total revised 2013 assessment of \$1,190,000 (rounded).

[20] The Respondent did not provide to the Board for consideration any substantive evidence to counter the evidence of the Complainant concerning the assessed value of the subject property.


[21] After review and consideration of the evidence presented by the Complainant (Exhibit C-2), the failure of the Respondent to provide evidence, and argument presented by both the Complainant and the Respondent, the Board finds the revised 2013 assessment of the subject property at \$1,190,000 is fair and equitable.

## **Dissenting Opinion**

[22] There was no dissenting opinion.

Heard commencing November 6, 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.*