

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01792

Assessment Roll Number: 4150389

Municipal Address: 17950 106 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] The parties to the hearing did not object to the composition of the Board. Further, no bias or conflict of interest with respect to this matter was expressed by the members of the Board.

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 consists of a multi-tenant office/warehouse building containing a total of 20,339 square feet. It is located in the Wilson Industrial Neighborhood. The building was constructed in 1991 on a 43,129 square foot lot with site coverage of 47%. Using the direct sales approach to determine market value, the subject property is assessed at \$2,338,000.

Issue

[6] Is the 2013 assessment of the subject property at \$2,338,000 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] In support of their request for a reduction in the assessment amount, the Complainant submitted Exhibit C-2, 17 pages.

[10] The Complainant presented the Board with photographs and maps detailing the subject property (Exhibit C-2 pages 3-7).

[11] The subject property is assessed at \$2,338,000, which equates to \$114.95 per square foot. 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-2). 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 site coverage ranged from 16% to 63% compared to the site coverage of the subject building at 47%. The sales dates ranged from June 2009 to September 2012 and the time-adjusted sale price per square foot ranged from \$66.99 to \$104.29.

[12] 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.

[13] The Complainant requested that the Board reduce the 2013 assessment from \$2,338,000 to \$1,932,000.

Position of the Respondent

[14] In dealing with the comparables of the Complainant set out in Exhibit C-2 the Respondent noted that comparable number 1 had a lower than market lease rate in place at the time of sale. The Respondent also stated that comparable number 3 was vacant at the date of sale.

[15] In addition, the Respondent noted that the subject property has higher site coverage than majority of the comparable properties set out in Exhibit C-2.

[16] When examining the site coverage data provided by the Complainant, the Respondent argued that the City's assessment of the subject is fair and reasonable.

[17] In summary the Respondent requested that the 2013 assessment of the subject property be confirmed at \$2,338,000

Decision

[18] The decision of the Board is to reduce the 2013 assessment from \$2,338,000 to \$1,932,000.

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 \$2,338,000 is not appropriate.

[20] The Board placed most weight on sales comparables 1, 3, 6 and 7 provided by the Complainant as they were most similar to the subject property with respect to physical and locational characteristics.

[21] In the absence of any contrary evidence from the Respondent, the sales comparables presented by the Complainant supported a reduction in the 2013 assessment of the subject property from to \$114.95 to \$95.00 per square foot.

[22] 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.

[23] After review of the evidence presented by the Complainant and consideration of the arguments of both parties, as well as consideration of the failure of the Respondent to provide evidence, the Board finds the revised 2013 assessment of the subject property at \$1,932,000 is fair and equitable.

Dissenting Opinion

[24] There was no dissenting opinion

Heard commencing November 6, 2013.

Dated this 28th day of November, 2013, at the City of Edmonton, Alberta.



Tom Eaper, 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.