

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01793

Assessment Roll Number: 1106103

Municipal Address: 12720 149 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] The parties to the hearing did not state any objection 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 two single tenant office/warehouse buildings containing a total of 45,206 square feet plus a Cost building of 6,720 square feet and is located in the Mistatim Industrial Neighborhood of the City. The two buildings were constructed in 1978 and 2007 respectively. Using the direct sales approach to determine market value, the subject property is assessed at \$7,611,500.

Issue

[6] Is the 2013 assessment of the subject property at \$7,611,500 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, 44 pages.

[10] The Complainant referred to and examined the fourteen sales comparables (Exhibit C-2, pages 1 and 11-38). The Complainant also relied upon 2012 ECARB 1890 (ECARB 1890) (Exhibit C-2 pages 40-44).

[11] The Complainant stated that of the fourteen sales comparables the most weight should be given to numbers 1, 2, 5, 7, 10 and 12. The Complainant also noted that the comparables were all located in the northwest section of the City.

[12] The Complainant stated that adjustments needed to be made to the time-adjusted sale prices (TASP) for the comparables to take into account differences to the subject property relating to site coverage, age and size (Exhibit C-2). The Complainant stated that the comparables presented supported a reduction in the 2013 assessment of the subject property from \$168.37 per square foot to \$125.00 per square foot.

[13] The Complainant time-adjusted the unit values from ECARB 1890 to derive a value of \$127.99 per square foot as of July 2013

[14] In summary the Complainant requested that the 2013 assessment of the subject property be reduced from \$7,611,500 to \$5,650,500.

Position of the Respondent

[15] In dealing with the comparables of the Complainant, the Respondent noted that comparable # 1 had a lower than market lease rate in place for 1 year, comparable # 5 was vacant at the date of sale, comparable #7 had a favorable short-term lease rate in place at the time of sale and the rent in place for comparable 10 was somewhat higher than comparable # 7.

[16] The subject property has lower site coverage than the 14 comparable properties set out in Exhibit C-2. Higher site coverage causes a lower price per square foot assessment and sale price.

[17] When considered in terms of the site coverage data provided by the Complainant, the Respondent stated the assessment by the City of the subject property is fair and reasonable.

[18] The Respondent stated the evidence provided by the Complainant was not sufficiently compelling to warrant a reduction in the assessment. The Respondent therefore requested that the Board confirm the 2013 assessment of the subject property at \$7,611,500.

Decision

[19] It is the decision of the Board to reduce the assessment from \$7,611,500 to \$5,650,500.

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 \$7,611,500 is not appropriate.

[21] 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.

[22] The only evidence other than argument for the Board to assess was provided by the Complainant

[23] In the absence of any contrary evidence from the Respondent, the Board finds the sales comparables presented by the Complainant support a reduction in the assessment of the subject from \$168.37 per square foot to \$125.00 per square foot.

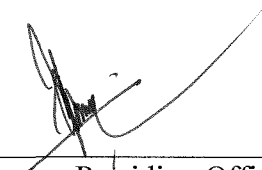
[24] After review of the evidence presented by the Complainant and consideration of the arguments of both parties, as well as consideration of the failure of the Respondent to provide evidence, the Board finds the revised 2013 assessment requested by the Complainant of the subject property at \$5,650,500 is fair and reasonable.

Dissenting Opinion

[25] There was no dissenting opinion

Heard commencing November 6, 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.