

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01795

Assessment Roll Number: 3191558
Municipal Address: 10920 178 STREET NW
Assessment Year: 2013
Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Larry Loven, Presiding Officer
Brian Hetherington, Board Member
Dale Doan, Board Member

Procedural Matters

[1] The parties indicated they had no objection to the composition of the Board. In addition, the Board members indicated they had no bias on this file.

[2] At the request of the parties, the Board carried forward argument and evidence from roll number 1591056 to this roll number, where applicable.

Preliminary Matters

[3] No preliminary matters were raised by the parties.

Background

[4] The subject property is assessed as a single industrial warehouse, totaling 142,570 square feet on a 5.543 acre lot, built in 1987 with site coverage of 55%. It is located in the Wilson Industrial Neighbourhood.

Issue(s)

[5] Is the assessment of the subject property correct in market value and in equity?

Legislation

[6] 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 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.

Position of the Complainant

[7] The Complainant submitted a 19 page disclosure, Exhibit C-1 ("C-1"), in support of their position that the 2013 assessment of the subject property was incorrect in market value and in equity.

[8] The Complainant provided five sales comparables summarized as follows:

#	Address	Sale Date	Main Floor Area	Bld g #	% Site Cover	Eff Age	Condition	Location	Main Floor Finish	Upper Finish
1	2103 64 Ave	May-09	252,435	1	41	2001	Avg	20	9,075	9,100
2	14604 134 Ave	Sep-09	114,037	2	38	1979	Avg	17	5,974	0
3	11340 120 St	Jan-10	79,188	2	30	59/74				
4	12810 170 St	Apr-10	399,973	1	39	2008	Avg	17	16,778	0
5	16815 117 Ave	Nov-11	74,341	1	58	1980			16,083	16,250
Sub	10920 178 St		131,658	1	55	1987	Avg	17	5,091	10,911

Note: For comparative purposes, italics indicate data provided by the Respondent.

[9] The Complainant also provided adjustments based variances from the subject property in terms of building size, site coverage and effective age.

#	Address	TASP / Sq Ft (Total)	Assessed / Sq ft (Total)	Adjust / Sq Ft (Total)	Adjusted TASP / Sq Ft (Total)	Adjusted Assessed / Sq Ft (Total)
1	2103 64 Ave	\$75	\$75.50	-25%	\$56.21	\$56.63
2	14604 134 Ave	\$77	\$80	-10%	\$68.30	
3	11340 120 St	\$ 48.04	\$80	-5%	\$545.64	
4	12810 170 St	\$88	\$73.77	-25%	\$58.78	\$55.33
5	16815 117 Ave	\$60	\$66.43	+5%	\$66.22	\$70.13
Sub	10920 178 St		\$62.18			

Note: For comparative purposes, italics indicate information provided by the Respondent.

[10] Based on the Complainant's analysis of these sales and assessments to the subject property the Complainant considered a base year market value of \$58 per square foot to reasonable, or \$8,269,060.

[11] In conclusion, the Complainant requested the 2013 assessment of the subject property be reduced to \$8,269,000.

Position of the Respondent

[12] The Respondent submitted a 61 page disclosure, Exhibit R-1 ("R-1") containing a industrial warehouse brief, pictures, maps, a profile report, complainant issues, comparable sale, equity comparables, additional evidence a conclusion and law brief.

[13] The Respondent's *City of Edmonton's 2013 Industrial Warehouse Assessment Brief* listed the factors affecting the value in the warehouse inventory, stated in declining importance, as: total main floor area, site coverage, effective age, condition, location, main floor finished area, and upper finished area.

[14] The Respondent submitted a chart containing five sales comparables summarized in the table below:

#	Address	Sale Date	Main Floor Area	% Site Cover	Eff Age	Condition	Location	Main Floor Finish	Upper Finish	TASP / Sq Ft (Total)
1	14604 134 Ave	Sep-09	114,037	37	1979	Avg	17	5,974	0	\$77
2	17915 118 Ave	Mar-11	135,566	46	1977	Avg	17	23,882	0	\$88
3	16304 117 Ave	Apr-11	112,594	43	1977	Avg	17	7,234	0	\$85
4	14606 134 Ave	May-11	114,037	37	1979	Avg	17	5,974	0	\$81
5	16815 117 Ave	Nov-11	74,3341	57	1980	Avg	17	16,083	16,250	\$60
Sub	10920 178 St		131,658	55	1990	Avg	17	5,091	10,911	\$62

[15] The Respondent's chart did not indicate that its sales comparables required no overall adjustment. The Respondent also included a chart of the Complainant's sales comparables. This chart did not indicate that the Complainant's sales comparables required an overall adjustment. The Respondent also notes that its sales comparable #1 is the same as the Complainant's sales comparable #2, and its #5 is the same as the Complainant's #5

[16] The Respondent submitted a table of five equity comparables summarized on the following table.

#	Address	Main Floor Area	Bldg Count	% Site Cover	Eff Age	Condition	Location	Main Floor Finish	Upper Finish	Assmt / Sq Ft (Total)
1	17915 118 Ave	135,561	-	46	1977	Avg	17	23,881	0	\$65
2	12825 149 St	121,371	-	46	1969	Avg	17	1,225	0	\$60
3	14550 112 Ave	137,041	-	54	1962	Avg	17	5,426	7,752	\$50
4	11607 178 St	132,275	-	55	1981	Avg	17	8,387	2,280	\$61
5	15703 114 Ave	111,428	-	55	1974	Avg	17	3,948	1,484	\$56
Sub	17860 106 Ave	119,436	1	55	1981	Avg	17	5,092	10,912	\$62

[17] The Respondent's chart indicated that its equity comparables #1, #2, #3 and #5 all required upward adjustments; and, #4 required no adjustment. The Respondent also provided a chart of the Complainant's five equity comparables, noting that the Complainant's equity comparables all required a downward adjustment, excepting its #5.

[18] The Respondent submitted several excerpts from *The Appraisal of Real Estate, 2nd Edition* and *Basics of Real Estate Appraising, 5th Edition*, in support of its arguments regarding qualitative analysis and adjustments.

[19] The Respondent also submitted an argument regarding the Complainant's small number Assessment to Sales Ratios (ASRs) and changes to the property from the sale date to the assessment date.

Decision

[20] It is the decision of the Board to confirm the 2013 assessment of the subject property at \$8,865,500.

Reasons for the Decision

[21] Even though the Board heard from the Complainant that its basis of adjustment relied upon approximately 1% per year in difference in age, 1% per percentage difference in site coverage and a factor for the difference in size, the Board finds that it can place little confidence in the quantitative adjustment method relied upon by the Complainant to determine a reasonable value for the subject property as no supporting evidence in appraisal theory or practice was put forward by the Complainant in support of this methodology.

[22] The Board accepts the Factors Affecting Value given in the Respondent's 2012 Industrial warehouse Assessment Brief (R-1, pp. 8-10), which, in descending order of importance, are given as: total main floor area (per building), site coverage, effective age (per building), condition (per building), location of the property, main floor finished area, and upper finished area. The Board also notes that the first three factors were used by the Complainant to determine the adjustment percentages applied to its sales comparables.

[23] From the Board's examination of the Complainant's sales comparables it appears that its sales comparable #2 most closely matches the assessable factor of the subject property in terms of main floor area, although 20% smaller, with 9% less site coverage, 10 years older and 6% less office, sold for \$77 per square foot compared to the assessed \$62 per square foot for the subject property, supports the assessed value of the subject property. The Board notes that this sales comparable was also presented by the Respondent.

[24] The second sales comparable that closely matches the assessed factors of the subject property in terms of site coverage and age, although almost 36% smaller with 25% greater finish, presented by both parties as their sales comparable #5, sold for a TASP per square foot of \$60, compared to and assessed value of \$62 per square foot for the subject property, also supports the assessed value of the subject property.

[25] The Board notes that the equity comparables presented by the Complainant were also presented as its equity comparables; however, the assessments per square foot were only provided for its comparables #1, #4 and #5. Notwithstanding any adjustments that may be required in terms of the assessed factors, the Board finds the Complainant's equity comparable #5 to closely match the subject property in terms site coverage and age, assessed at \$63 per square foot versus the subject property at \$63 per square foot, indicates that the subject property may be fairly assessed in equity.

[26] The Board finds of the five equity comparables presented by the Respondent in terms of the assessed factors, all closely match the subject property in terms of main floor area and site coverage. Its equity comparables #1 and #4, closest in terms of age, assessed at \$65 and \$61 per square foot, respectively, best support the per square foot assessed value of the subject property at \$62.

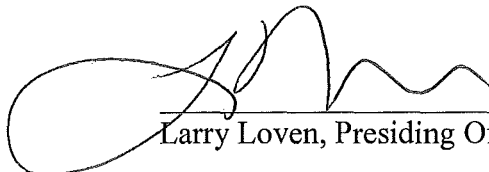
[27] Based on its consideration of the above findings, the Board concludes the subject property to be fairly and equitably assessed at \$62.18 per square foot.

Dissenting Opinion

[28] There was no dissenting opinion.

Heard commencing November 25, 2013.

Dated this 10th day of December, 2013, at the City of Edmonton, Alberta.


Larry Loven, Presiding Officer

Appearances:

Tom Janzen
for the Complainant

Amy Cheuk
Suzanne Magdiak
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.