

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01796**

**Assessment Roll Number:** 10172560  
**Municipal Address:** 17811 116 AVENUE 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**  
**Larry Loven, Presiding Officer**  
**Brian Hetherington, Board Member**  
**Dale Doan, Board Member**

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### **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 an industrial warehouse building, totaling 44,961 square feet on a 3.471 acre lot, built in 1995 with a site coverage of 30%. It is located in the Edmiston 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 seven sales comparables summarized as follows:

#	Address	Sale Date	Main Floor Area	Bldg #	% Site Cover	Eff Age	Condition	Location	Main Floor Finish	Upper Finish
1	16440 130 Ave	Jan-11	30,072	1	31	1980	Avg	17	6,157	0
2	11570 154 St	Jul-11	33,396	2	30	76/79	Avg	20	10,311	06,199
3	16815 117 Ave	Nov-11	74,341	1	57	1980	Avg	17	16,083	16,250
4	16104 114 Ave	Jan-12	65,600	2	34	77/06	Avg	17	13,907	1,1200
5	12603 123 St	Jan-12		2	28	58/90	Avg			
6	14350 123 Ave	Jun-12	57,344	1	46	1976	Avg	17	1,156	0
7	14320 121A	Jul-12	47,059	1	46	1972	Avg	17	2,840	1,920
<b>Sub</b>	<b>17811 116 Ave</b>		<b>44,960</b>	<b>1</b>	<b>30</b>	<b>1995</b>	<b>Avg</b>	<b>17</b>	<b>44,960</b>	<b>0</b>

*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 as shown on the following chart.

#	Address	TASP / Sq Ft (Total)	Assessed / Sq ft (Total)	Adjust / Sq Ft (Total)	Adjusted TASP / Sq Ft (Total)	Adjusted Assessed / Sq Ft (Total)
1	16440 130 Ave	\$103	\$111	0%	\$104.29	\$112.03
2	11570 154 St	\$81	\$125	+10%	\$88.73	\$120.52
3	16815 117 Ave	\$60	\$63	+65%	\$105.01	\$110.20
4	16104 114 Ave	\$115	\$112	+15%	\$114.66	\$111.41
5	12603 123 St	\$72.81	\$60.64	+15%	\$83.73	\$69.74
6	14350 123 Ave	\$79	\$71	+45%	\$114.75	\$102.88
7	14320 121A	\$82	\$76	+40%	\$119.91	\$106.43
<b>Sub 17811 116 Ave</b>		<b>\$108.88</b>				

*Note: For comparative purposes, italics indicate data 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 \$103 per square foot to reasonable, or \$4,630,983.

[11] In conclusion, the Complainant requested the 2013 assessment of the subject property be reduced to \$4,630,500.

### **Position of the Respondent**

[12] The Respondent submitted a 47 page disclosure, Exhibit R-1 ("R-1") containing an 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	17404 111 Ave	Jun-08	65,241	39	2005	Avg	178	25,399	9,560	\$152
2	10439 176 St	Nov-09	32,354	24	1992	Avg	17	3,700	0	\$131
3	12930 148 St	Sep-10	44,101	34	1972	Avg	17	5,880	00	\$106
4	12959 156 St	Jul-11	98,358	42	2008	Avg	17	5,621	1,660	\$134
5	16104 114 Ave	Jan-12	65,600	34	77/06	Avg	17	13,907	1,120	\$115
<b>Sub 16918 114 Ave</b>			<b>44,960</b>	<b>30</b>	<b>1995</b>	<b>Avg</b>	<b>17</b>	<b>4,978</b>	<b>0</b>	<b>\$109</b>

[15] The Respondent's chart indicated that its sales comparables #1 and #4 required an overall downward adjustment, #2 required an upward adjustment and #3 and #5 required no adjustment. The Respondent also included a chart of the Complainant's sales comparables. This chart indicated that the Complainant's sale comparables all, excepting #4, required an upward adjustment; and, #5 was a non-arms length sale. The Board noted that the Respondent's sales comparable #5 is the same as the Complainant's sales comparable #1, and its #4 is the same as the Complainant's #4.

[16] The Respondent submitted a table of six equity comparables summarized as follows:

#	Address	Main Floor Area	Bldg Count	% Site Cover	Eff Age	Condition	Location	Main Floor Finish	Upper Finish	Assmt / Sq Ft (Total)
1	10439 176 St	32,353	1	24	1992	Avg	17	3,700	0	\$129
2	17808 116 Ave	40,763	1	34	1900	Avg	17	7,135	0	\$107
3	18330 102 Ave	42,238	1	37	1996	Avg	17	6,997	0	\$109
4	13030 148 St	43,000	1	35	1981	Avg	17	6,199	480	94
5	16503 116 Ave	43,118	1	39	1998	Avg	17	2,800	2,800	\$103
6	18003 114 Ave	54,558	1	39	2005	Avg	17	4,370	1,840	\$111
<b>Sub</b>	<b>17811 116 Ave</b>	<b>334,815</b>	<b>1</b>	<b>30</b>	<b>195</b>	<b>Avg</b>	<b>17</b>	<b>4,978</b>	<b>0</b>	<b>\$109</b>

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

[18] The Respondent submitted several excerpts from *The Appraisal of Real Estate, 2<sup>nd</sup> 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 \$4,895,500.

### **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 Complaint 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. 4-14), given, in descending order of importance, 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 #4 most closely match the assessable factors of the subject property, although 48% smaller, with 4% more site coverage and 122% more office, sold for \$115 per square foot compared to the assessed \$109 per square foot for the subject property, noted by the Respondent as requiring a downward adjustment for age and site coverage, supports the assessed value of the subject property. The Board notes that this sales comparable was also presented by the Respondent as its sales comparable #5.

[24] The Board notes that the equity comparables presented by the Complainant were also presented as its equity comparables. Notwithstanding any adjustments that may be required in terms of the assessed factors, the Board finds the Complainant's equity comparable #1 to closely match the subject property in terms site coverage, although 20% smaller with 9% less proportional office assessed at \$111 per square foot versus the subject property at \$109 per square foot, indicates that the subject property may be fairly assessed in equity.

[25] The Board finds of the five equity comparables presented by the Respondent in terms of the assessed factors, all more closely match the subject property in terms of main floor area, site coverage and age. Its equity comparable #1, also presented as its sales comparable #2, assessed at \$129 per square foot and sold at \$131 per square foot, closely matches the subject property in terms of age and office, although 28% smaller, with proportionately at same proportional percent office and 6% less site coverage, supports the per square foot assessed value of the subject property at \$109. Similarly, the Respondent's equity comparables #2 and #3, also closely matches the subject property in terms of size and age, although with 4% and 7% greater site coverage, and 7% and 6% greater office, assessed at \$107 and \$109 per square foot, all respectively, also supports the per square foot assessed value of the subject property.

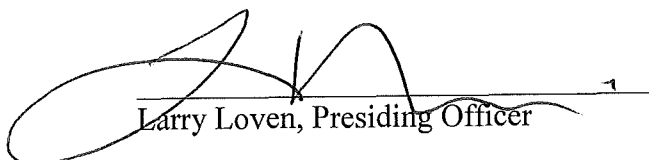
[26] Based on its consideration of the above findings, the Board concludes the subject property to be fairly and equitably assessed at \$109 per square foot.

## **Dissenting Opinion**

[27] There was no dissenting opinion.

Heard commencing November 25, 2013.

Dated this 10<sup>th</sup> 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.*