

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01712

Assessment Roll Number: 8991804

Municipal Address: 9116 39 Avenue 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

Darryl Menzak, Board Member

Jasbeer Singh, Board Member

Procedural Matters

[1] At the outset of the hearing the Complainant and the Respondent confirmed that they had no objection to the composition of the Board and the Board members declared that they had no bias in matters before the Board.

[2] At the request of the parties, agreement and evidence was carried forward from roll number #1084316 to this file, where applicable.

Preliminary Matters

[3] There were no preliminary issues.

Background

[4] The subject property, located in Strathcona Industrial Park, consists of a 39,271 square foot multi-tenant office/warehouse building that has 9,000 sq ft of finished office space on the main floor. The building was constructed in 2001 and is in average condition. The 2013 assessment, based on the income approach, is \$5,506,000.

Issue(s)

[5] Is the 2013 assessment of the subject property correct?

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 presented a 19 page brief, Exhibit C-1(“C-1”), in support of the requested reduction in the 2013 assessment of the subject property.

[8] The Complainant presented a table containing 11 sales comparable, as summarized below, in support of a lower value. The subject property is shown immediately below the sales comparables.

#	Address	Year Built	Cover %	Total Area (Sq.Ft)	Sale Date	TASP per Sq.Ft
1	11610 - 178 St	1997	26	26,200	Jun-09	\$ 96.48
2	10439 - 176 St	1992	24	32,339	Nov-09	\$130.93
3	15404 - 121A Ave	2006	31	50,797	Jul-10	\$103.04
4	7603 McIntyre	2001	25	40,000	Dec-10	\$120.75
5	8210 McIntyre	1974	28	42,000	Jan-11	\$118.60
6	803/19 - 77 Ave	82/'94	29	24,485	Mar-11	\$104.46
7	9515 - 51 Ave	1972	16	29,492	May-11	\$124.50
8	4704 - 97 St	1979	44	58,837	Aug-11	\$102.70
9	8011 Davies Rd	1972	35	21,050	Dec-11	\$123.52
10	4403 - 97 St	2004	40	57,000	Jul-12	\$138.85
11	7040 - 68 Ave	2001	52	48,167	Nov-12	\$116.26
Subject	9116 – 39 Ave	2001	35	39,271		\$140.21

[9] The Complainant place most weight on sales comparables #1, #6 and #9 as being most similar in terms of physical and location characteristics.

[10] In conclusion, the Complainant stated that an assessment value of \$105 per square foot was reasonable and requested the Board to reduce the 2013 assessment to \$4,123,000.

Position of the Respondent

[11] The Respondent submitted a 35 page document, Exhibit R-1 ("R-1"), in support of the 2013 assessment of the subject property. The document contained a testimonial statement, industrial warehouse brief, photographs and aerials of the subject property, detail report, complainant issues, comparable sales, additional evidence and a Law & Legislation brief.

[12] The Respondent provided a chart containing six sales comparables as summarized below. The subject property is shown immediately below the sales comparables.

#	Address	Loc Grp.	Year Built	Site Cover %	Main Flr (Sq.Ft)	Main Flr Finish Area (Sq.Ft)	Upper Finish (Sq.Ft)	Total Area (Sq.Ft)	Cond.	Sale Date	TASP per Sq.Ft
1	5880 - 56 Ave	18	2000	33	30,078	7,716	0	30,078	Avg	Feb-08	\$158
2	9330 - 45 Ave	18	1998	29	38,302	9,612	1,361	39,663	Avg	Sep-09	\$152
3	9304 - 41 Ave	18	2008	32	32,620	13,407	18,966	51,586	Avg	Dec-11	\$184
4	9515 - 51 Ave	12	1978	23	29,200	6,160	1,120	30,320	Avg	Jun-12	\$160
5	4810 - 93 St	18	1974	25	27,750	17,648	0	27,750	Avg	Feb-11	\$155
6	9111 - 41 Ave	18	1992	27	24,489	4,198	4,198	28,687	Avg	Mar-10	\$140
Sub	9116 - 39 Ave	18	2,001	35	39,271	9,000	0	39271	Avg		\$140

[13] The Respondent made the following comments on the Complainant's sales comparables:

- a. Sales comparables #1 was a motivated seller.
- b. Sales comparable #3 was a non-arms-length partial interest sale.
- c. Sales #10 and #11 were post facto.
- d. The Respondent also noted that the Complainant's sale #7 was the Respondent's sale #4.
 - i. The Respondent cited the more recent, June 2012 sale, with a time adjusted selling price of \$160 per square foot.
 - ii. The Complainant cited the older, August 2011 sale with time adjusted sale price of \$124.50 per square foot.
- e. Three of the Complainant's sales comparables were from dissimilar locations in the city.

[14] In summation, the Respondent stated that the Complainant's sales comparables should not be relied upon due to the various flaws indentified above. The Respondent requested the Board to confirm the 2013 assessment of the subject property at \$5,506,000

Decision

[15] It is the decision of the Board to confirm the 2013 assessment of the subject property at \$5,506,000.

Reasons for the Decision

[16] The Board examined the sales comparable, #1, #6 and #9 relied upon by the Complainant.

[17] The Board accepts the Respondent's evidence that the vendor in the Complainant's sales comparable #1 was a motivated seller and therefore the reported sale price could not be relied upon to establish the market value of the subject property.

[18] The building size for the Complainant's sales comparable #9 was shown as 21,050 square feet and the resulting per square foot time adjusted sales price as \$123.52 on the Complainant's chart of sales comparables (C-1, p. 1). However, the same property and the sale was shown on the Respondent's sales chart with a building size of 18,412 square feet and the corresponding sales price as \$141 per square foot (R-1, p. 13). The Board finds that all of the Complainant's other sales comparables analyzed by the Respondent to match in both building size and site coverage, that it is likely, even though the Complainant relied upon Network data and no further information was provided by the Respondent, that the building size and site coverage provided by the Respondent for this sales comparable is correct

[19] The Board notes that the Complainant's sales comparable #6 with a TASP of \$104.46 per square foot, is similar to the subject property in terms of site coverage and building size, this comparable is nearly 20 years older than the subject property and is located in a partially serviced market area as suggested by the Respondent and not argued by the Respondent.

[20] The Board finds that the sales comparables provided by the Respondent more closely match the characteristics of the subject property in terms of industrial group location, building count, effective year built, main floor area size, main floor office space, and TASP per square foot.


[21] Based on its consideration of the above findings, Board concludes the subject property to be fairly and equitably assessed.

Dissenting Opinion

[22] There was no dissenting opinion.

Heard commencing October 17, 2013.

Dated this 15th day of November, 2013, at the City of Edmonton, Alberta.


Larry Loven, Presiding Officer

Appearances:

Tom Janzen
for the Complainant

Jason Baldwin
Scott Hyde
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.