

## **Edmonton Composite Assessment Review Board**

**Citation: Rice Investments Ltd c/o CVG v The City of Edmonton, ECARB 2012-001237**

**Assessment Roll Number:** 9988724

**Municipal Address:** 9333 41 AVENUE NW

**Assessment Year:** 2012

**Assessment Type:** Annual New

Between:

**CVG Canadian Valuation Group, Agent**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

---

### **DECISION OF**

**Don Marchand, Presiding Officer**

**Darryl Menzak, Board Member**

**Judy Shewchuk, Board Member**

---

### **Preliminary Matters**

[1] Each of the Board members indicated that they had no bias with respect to this complaint, as well; both parties indicated that they had no objection to the composition of the panel.

[2] Each of the parties was sworn in prior to giving evidence.

### **Background**

[3] The subject property is a single-tenant office/warehouse building located in the Strathcona Industrial Park neighborhood. The property was built in 2000 and contains a total of 21,850 square feet on a 127,893.501 square foot (2.936 acre) lot for site coverage of 17%. In preparation for the hearing of the 2012 assessment an inspection by the municipality revealed that the amount of office space had increased to 6,283 square feet and that there was 3,089 square feet of mezzanine office space. As a result the assessment rate for the subject is the equivalent of \$174.71 per square foot based on an assessment of \$4,169,500.

### **Issue(s)**

[4] Is the 2012 assessment correct?

## **Legislation**

[5] The Board's jurisdiction is within the ***Municipal Government Act, RSA 2000, c M-26*** [MGA]:

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.

[6] The Board gave consideration to the requirements of an assessment, contained in the MGA:

289(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.

[7] The valuation standard is set out within the ***Matters Relating to Assessment and Taxation Regulation, Alta. Reg. 220/2004*** [MRAT]:

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

[8] Market value is defined within the MGA as

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;

### **Position of the Complainant**

[9] The Complainant submitted an evidence package of 21 pages marked exhibit C-1.

[10] The Complainant presented six sales comparables ranging in time adjusted sale price (TASP) from \$71.67 to \$191.65 per square foot. The assessments for the same properties ranged from \$130.18 to \$156.81 per square foot. The current assessment as per the explanation set out in the background of this order equates to \$174.71 per square foot and the Complainant is requesting an assessment equivalent to \$160.00 per square foot.

[11] The Complainant's comparables:

#	Address	Eff Year	SC	Total Main	TASP	TASP per sq ft
S	9333-41 Ave	2000	17	21,850		
1	3333-68 Ave	1969	5	9,200	\$950,000	\$99.90
2	17703-114 Ave	2002	10	9,975	\$1,970,000	\$191.65
3	9405-58 Ave	1974	23	12,724	\$940,000	\$78.88
4	9805-51 Ave	1971	21	18,556	\$1,329,999	\$71.67
5	803-77 Ave	1982	19	24,485	\$2,400,000	\$98.01

[12] The Complainant felt that the comparable #2 with a TASP of \$191.65 was the best comparable but was smaller and had much lower site coverage. An adjustment would be necessary for both attributes. All other comparables were older and would need an adjustment for the differences in ages.

[13] In response to questions from the Respondent the Complainant agreed that one of the comparables was 40 years older than the subject and inferior in that respect. The Complainant did not inspect the property.

[14] The Complainant submitted that the Respondent's sales comparables with respect site coverage were not as good, requiring an adjustment. The sale in the west end is comparable with respect to age but would require a downward adjustment for size and site coverage.

### **Position of the Respondent**

[15] The Respondent submitted an evidence package containing 55 pages marked exhibit R-1.

[16] The Respondent inspected the property and indicated to the Board that additional office space in the mezzanine area was not assessed for the current year. It was indicated that the records will be changed but the Respondent did not suggest that the Board amend the assessment to include the office finish that was not assessed. The Respondent brought to the Board's attention the custom and architectural design of the subject's office component.

[17] The Respondent provided 9 sales comparables with TASP ranging from \$139.46 to \$205.84. The Respondent indicated 4 sales which were considered to be the best comparables but also indicated that all would require adjustments for age, size or site coverage.

[18] The Respondent's Comparables with the 4 most similar identified:

#	Address	Eff. Yr.	SC	Total Main	Office Finish	Mezz. Fin.	Total Area (incl. mezz.)	Off. %	TASP per sq ft
1	9810-62 Ave	1965	22	12,115	5,400	3,000	15,115	69.3	\$139.46
2	6928-51 Ave	1976	7	14,999	1,800	1,800	16,799	24.0	\$204.30
3*	6111-56 Ave	1998	34	23,958	4,706		23,958	19.6	<b>\$146.07</b>
4*	9333-37 Ave	1977	30	16,598	4,844	3,305	19,903	49	<b>\$141.09</b>
5	5815-99 St	1964	13	15,264	3,000	2,616	17,879	36.8	\$205.84
6*	1811-66 Ave	1979	7	17,136	2,135	199	17,335	13.6	<b>\$150.59</b>
7	1431-70 Ave	1982	19	11,588	3,460	3,460	15,048	59.7	\$152.38
8*	4810-93 St	1974	25	27,750	17,648		27,750	63.6	<b>\$144.14</b>
9	6400-30 St	1979	8	15,200	3,528		15,200	23.2	\$144.74

[19] The Respondent also provided 11 assessment equity comparables with the range of assessments from \$161.06 to \$225.49.

[20] The Respondent questioned the Complainant's sales. Sale #1 was much older than the subject and was a non-arms length transaction between related parties. In another transaction, sale #3, the comparable had no heat and was undergoing renovations. Comparable #4 was comprised mostly of warehouse which was in poor condition. The Respondent felt that the Board should consider the conditions and status of the properties at the time of the sales.

[21] The Respondent also stated that the Complainant's comparable #2 was in the west end of the city which is a different market area and that #5 was comprised of 2 buildings and was not comparable.

### **Decision**

[22] The subject's 2012 assessment of \$4,169,500 is confirmed

### **Reasons for the Decision**

[23] The Board does give consideration to the Complainant's comparable #2 with a downward adjustment. The remaining Complainant's comparables were given little weight or consideration. The Complainant's one comparable coupled with the Respondent's comparables considered to be most similar produce indicated per square foot rates that bracket the assessment rate of \$174.71 per square foot. All of the Respondent's comparables considered to be most similar require upward adjustments relative to their ages and/or site coverages.

[24] In the absence of any persuasive Complainant evidence, other than the one comparable that actually supports the assessment, the Board gives more consideration to the Respondent's comparables and their range of per unit rates.

[25] The Board considers the subject's office component to be superior to the typical warehouse/office component complexes. There is added cost and value for the design and architectural nature of the office component.

[26] The Board confirms the assessment.

Heard commencing October 26, 2012.

Dated this 28<sup>th</sup> day of November, 2012, at the City of Edmonton, Alberta.

---

Don Marchand, Presiding Officer

**Appearances:**

Tom Janzen, CVG

for the Complainant

Luis Delgado, Assessor

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.*