

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, ECARB 2012-002314

Assessment Roll Number: 2209906

Municipal Address: 14849 124 Avenue NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Warren Garten, Presiding Officer
Brian Hetherington, Board Member
James Wall, Board Member

Preliminary Matters

[1] Upon questioning by the Presiding Officer, the parties did not object to the composition of the Board. In addition, the Board Members expressed no bias with regards to this matter.

Background

[2] The subject property consists of two office/warehouse buildings, containing a total of 47,836 square feet (sq. ft.) of space, located on 32% of a 145,915 sq. ft. lot at 14849 124 Avenue in Edmonton's Dominion Industrial neighbourhood. The larger of the two buildings, at 45,913 sq. ft. was built in 1972, while the smaller building measuring 952 sq. ft. was built in 1979. Part of the larger building faces 149 Street.

[3] The subject property has been assessed for 2012 utilizing the direct sales comparison approach to valuation, based on sales occurring between January 2008 and June 2011.

Issue(s)

[4] Is the Market Value, based on the Direct Comparison Approach to Value correct?

Legislation

[5] The Municipal Government Act reads:

Municipal Government Act, RSA 2000, c M-26

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

[6] The Complainant presented evidence (C-1) and argument for the Board’s review and consideration.

[7] The Complainant argued that the subject is over-assessed based on the Direct Comparison Approach.

[8] The Complainant presented the Board with a list of six comparable properties in the same northwest quadrant of the City as the subject property (C-1, p. 1), which had been sold between June 2009 and October 2010. The properties ranged in building size from 41,349 sq. ft. to 84,832 sq. ft. The time-adjusted selling prices (TASPs) ranged from \$48.86 per sq. ft. to \$76.89 per sq. ft. These compared to the subject property’s site of 47,836 sq. ft. and an assessment of \$89.56 per sq. ft. The site coverages of the comparable properties ranged from 9% to 58%.

[9] The Complainant explained to the Board that he believed his comparables # 1, 2, 3 and 6 were his most appropriate, which supported his request for an assessment of \$75.00 per sq. ft. and a total assessment of \$3,600,000.

Position of the Respondent

[10] The Respondent presented the Board with evidence (R-1) and the City’s Law and Legislation document (R-2) for review and consideration.

[11] The Respondent presented photographs of the subject properties, and explained that the occupants of the two buildings were Polymer Plastics and Cat Rentals.

[12] In support of the City’s assessment of the subject property at \$4,284,500 or \$91.39 per sq. ft., the Respondent presented the Board with a list of five sales comparisons (R-1, p. 20). Three of the comparable properties were in the same northwest quadrant as the subject, while the other two were located in Southeast Edmonton. The sales were concluded between January 2009 and January 2011 with TASPs ranging from \$93.27 to \$112.48 per sq. ft. The site coverages ranged from 28% to 45%, compared to the Complainant’s 32%.

[13] The Respondent told the Board that all his comparables were on, or adjacent to, major roads, similar to the subject property.

Decision

[14] The decision of the Board is to reduce the assessment per sq. ft. to \$81.00 with a total assessment of \$3,875,000.

Reasons for the Decision

[15] In reaching its decision, the Board considered all argument and evidence presented to it.

[16] The Board discounted the two properties presented by the Respondent, which were located in Southeast Edmonton, as they had no direct relevance to the subject area.

[17] The Board was also of the view that four of the Complainant's comparable sales were not truly comparable as they differed significantly in size and site coverage.

[18] The Board was of the opinion that The Complainant's comparables # 3 and 6, together with the Respondent's comparables # 1, 2 and 3 could be considered in reviewing a fair and equitable assessment.

[19] The per sq. ft. sales prices of those properties were respectively \$59.85, \$61.67, \$95.24, \$95.12 and \$93.27. The Board was of the view that an average of those TASP's would be an appropriate assessment for the subject property. The average of those TASP's is \$81.03 per sq. ft. The Board's decision is to assess the subject property at \$81 per sq. ft. for a total assessment of \$3,875,000.

Dissenting Opinion

[20] There was no dissenting opinion.

Heard on October 16, 2012.

Dated this 9 day of November, 2012, at the City of Edmonton, Alberta.

Warren Garten, Presiding Officer

Appearances:

Peter Smith
for the Complainant

Marty Carpentier
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.