

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2012 ECARB 1546

Assessment Roll Number: 8886434
Municipal Address: 6006 87A Street NW
Assessment Year: 2012
Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Robert Mowbrey, Presiding Officer
Jack Jones, Board Member
Pam Gill, Board Member

Preliminary Matters

[1] Upon questioning by the Presiding Officer, each of the parties stated that they had no objection to the composition of the Board. In addition, each Board Member indicated that they had no bias with respect to this matter.

Background

[2] The subject property is single-tenant office/warehouse building containing a total of 25,289 square feet. The effective year built is 1981. The subject is in average condition and has 50% site coverage. The assessment methodology is based on direct sales comparison and the 2012 assessment is \$2,386,000.

Issue

[3] What is the market value of the subject property?

Legislation

[4] 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

[5] The Complainant filed this complaint on the basis that the subject assessment of \$2,386,000 is in excess of market value.

[6] In support of this position, the Complainant presented six sale comparables that have been time adjusted from the date of sale to the valuation date, using the time adjusted factors from the City of Edmonton (Exhibit C-1 page 1). The Complainant put the most weight on sales comparable #'s 2, 4 and 5. The average of these three sales was \$98.77 tasp psf of total area. The Complainant advised the Board that the most similar comparable to the subject property, would be sale comparable #2, at 7216-76 Avenue. The site coverages of the above sales comparables were 55%, 44% and 45%, which approximate the site coverage of 50% for the subject property.

[7] During summation, the Complainant advised the Board that the Respondent's equity comparable #'s 6, 7 and 8 were, in effect, retail properties and should not be included in the Respondent's evidence package.

[8] The Complainant requested the Board to reduce the 2012 assessment to \$2,150,000, based on the high site coverage and a base year market value of \$85.00 per square foot.

Position of the Respondent

[9] The Respondent presented eight sales comparables to the Board and noted that all sales were validated and included in the industrial inventory. The sales ranged from 15,039 square feet to 38,859 square feet of total building area. The time adjusted selling price per square foot of total area ranged from \$90.74 to \$129.20 (Exhibit R-1 page 19).

[10] The Respondent presented 10 equity comparables to the Board and noted the equity comparables were similar in terms of age, condition and site coverage. The 2012 assessment per square foot of total area ranged from \$90.99 to \$97.13 (Exhibit R-1 page 29).

[11] During summation, the Respondent advised the Board that the Complainant's sales comparables had below lease market rates and could not be considered typical.

[12] The Respondent requested the Board to confirm the 2012 assessment of \$2,386,000.

Decision

[13] The decision of the Board is to confirm the 2012 assessment of \$2,386,000.

Reasons for the Decision

[14] The Board reviewed both parties' evidence and found the Respondent's evidence to be more compelling.

[15] The Board notes the Complainant's six sales comparables have an average time adjusted selling price of \$106.00 per square foot of total building area. This supports the subject property's 2012 assessment of \$94.34 assessment per square foot of total building area.

[16] The Board further notes that the Complainant stated that the Complainant's sale comparable #'s 2, 4 and 5 should have the most weight. The average time adjusted selling price of total building area of these three sales comparables is \$98.77 per square foot, which approximates the assessment.

[17] The Complainant and the Respondent have two sales comparables in common (7216-76 Avenue and 9719-63 Avenue). The average time adjusted selling price per square foot is \$98.13, which approximates the 2012 assessment of \$94.35.

[18] The Board notes the Respondent's eight sales comparables have an average time adjusted selling price of \$105.43 per square foot of total building area.

[19] The Board notes the Respondent's ten equity comparables averaging \$94.12 assessment psf support the 2012 assessment.

[20] Jurisprudence has established the onus is on the Complainant to provide sufficient and compelling evidence to show the incorrectness on an assessment. The Board is satisfied the Complainant did not provide sufficient and compelling evidence to form an opinion as to the incorrectness of the assessment.

Dissenting Opinion

[21] There is no dissenting opinion.

Heard October 10, 2012.

Dated this 22 day of October, 2012, at the City of Edmonton, Alberta.

Robert Mowbrey, Presiding Officer

Appearances:

Peter Smith

for the Complainant

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.