

Edmonton Composite Assessment Review Board

Citation: KS 12908 – 170th St. NW Inc. c/o CVG, v The City of Edmonton, 2012 ECARB 1762

Assessment Roll Number: 10185075

Municipal Address: 12908 170 STREET 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.

[3] The Parties indicated that the evidence presented respecting this complaint was very similar to roll 1612209 (citation: 2012 ECARB 1799). Accordingly, they advised that a large percentage of the evidence would be carried forward to this hearing.

Background

[4] The subject property is a multi-tenant office/warehouse building, located in the Kinokamau Plains area of Edmonton. The site area of the parcel is 10.04 acres with site coverage of 25%. The assessment summary identifies 111,000 square feet of building space, including 19,000 square feet of office space, with a year built of 2009.

Issue(s)

[5] Is the 2012 assessment of \$13,360,000 correct?

Legislation

[6] 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.

[7] 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.

[8] 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

[9] 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

[10] The Complainant submitted a 15-page evidence package marked exhibit C-1.

[11] The Complainant presented seven sales comparables with time adjusted sale prices (TASP) ranging from \$84.84 to \$132.63 per square foot and all situated in the northwest quadrant of the city, as is the subject. The subject is in an inferior location to all comparables except #6. The Complainant advised that he placed most weight on comparable #1 at 10203 – 184 Street (TASP \$84.84), comparable #2 at 11610 – 178 Avenue (TASP \$87.44), comparable #4 at 14440 – 123 Avenue (TASP \$93.13), and comparable #5 at 15404 – 121A Avenue (TASP \$90.70).

[12] The Complainant's comparables with the 4 identified above in bold.

	Address	Eff Year	Site cov.	Total Main	Office Finish	TASP	Assmt.	TASP per sq. ft.	Assmt per sq. ft.
S	12908-170 St	2009	25	111,000	19,000		\$13,560,000		\$122.16
1*	10203-184 St	1996	35	168,520		\$15,000,000		\$84.84	
2*	11610-178 St	1997	26	26,200		\$2,375,000		87.44	
3	17803-118 Ave	2000	15	15,426		\$2,114,889		132.63	
4*	14440-123 Ave	1985	18	31,388		\$2,950,000		93.13	
5*	15404-121a Ave	1989/06	31	50,797		\$2,303,733		90.70	
6	16440-130 Ave	1981	31	30,370		\$2,925,000		96.31	

[13] The Complainant questioned the Respondent's comparable at 17404 – 111 Avenue (TASP \$139.31) as having more office space than the subject. The Complainant also questioned the comparable at 18507 – 104 Avenue (TASP \$125.70) as being in a prime location while the subject is not, being that it is located north of the Yellowhead Highway. The Complainant also questioned the other two of the Respondent's sales comparables as they are situated in the southeast quadrant of the city while the subject is in the northwest.

[14] The Complainant asked the CARB to reduce the assessment from \$122.16 to \$95.00 per square foot for a total of \$10,500,000.

Position of the Respondent

[15] The Respondent submitted a 31-page assessment brief marked exhibit R-1 and a 44-page law and legislation brief marked exhibit R-2.

[16] The Respondent presented four sales comparables, two in the southeast quadrant and two in the northwest quadrant of the city, as is the subject. The TASP ranged from \$111.51 to \$203.16 per square foot which, the Respondent argued, support the assessment at \$122.16 per square foot for a total of \$13,560,000.

[17] The Respondent's comparables.

#	Address	Eff. Year	Site cov.	Total Main	Office Finish	Mezz. Finish	Total Area (incl. mezz.)	Off. Fin. %	TASP	TASP per sq. ft.
1	17404 -111 Ave	2005	39	65,241	25,399	9,560	74,801	53.6	\$10,420,480	\$139.31
2	18507 -104 Ave	2007	34	118,800	7,160		118,800	6.0	\$14,932,800	\$125.70
3	7612 - 17 St	1995/08	39	132,720	4,600		132,720	3.5	\$14,800,000	\$111.51
4	5605 -70 St	2008	34	118,438	23,200	23,200	141,638	39.2	\$28,775,000	\$203.16
S	12908 -170 St	2009	25	111,000	19,000			17.1	Assm't	\$122.16

Decision

[18] The CARB confirms the 2012 assessment at \$13,360,000.

Reasons for the Decision

[19] The Complainant's comparable #1 is the sale of a three building complex with a total improvements size that is over 50% larger than the subject. It is thirteen years older and has a larger site coverage. The remaining comparables are not similar to the subject. The ages, site coverage, and building sizes differ significantly from the subject. The sales prices of the comparables, other than comparable #1, are in a range of \$2 to \$3 million. The Respondent's comparables #1, #2 and #3 are more representative of the subject's market value range.

[20] The Board agrees with the Complainant that the Respondent's comparable #1 does have a superior amount of office space and that comparable #2 has a location advantage. The subject's lower assessment is reflecting these characteristics.

[21] The Respondent provided two comparables from the southeast quadrant of the municipality yet was unable to provide a measure as to what adjustment allowance would need to be applied to these comparable to make them similar to the subject. The Board placed little weight on these comparables.

[22] In the absence of adequate evidence before the Board to conclude a reduction, the Board confirms the assessment.

Heard commencing October 24, 2012.

Dated this 28th day of November, 2012, at the City of Edmonton, Alberta.

Don Marchand, Presiding Officer

Appearances:

Peter Smith, CVG

for the Complainant

Will Osborne, 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.