

Edmonton Composite Assessment Review Board

Citation: GD Liquidators Ltd. c/o CVG v The City of Edmonton, 2012 ECARB 1809

Assessment Roll Number: 2213312

Municipal Address: 14510 124 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.

[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 single tenant office/warehouse building, located in the Dominion Industrial area of Edmonton. The site area of the parcel is 4.19 acres with site coverage of 39%. The assessment summary identifies 65,400 sq. ft. of building space, including 7,850 square feet of office space, with a year built of 1962 and has an effective year built of 1981. A small materials shelter structure of 5,040 square feet is assessed as a cost building.

Issue(s)

[5] Is the 2012 assessment of \$5,197,500 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 submitted that the subject is still an old 1962 building, in spite of having been renovated.

[12] The Complainant presented seven sales comparables with time adjusted sale prices (TASP) ranging from \$59.85 to \$87.44 per square foot. The Complainant advised that most weight should be placed on the comparables at 11771 – 167 Street (TASP \$76.89), 11504 – 170 Street (TASP \$70.10), 16815 – 117 Avenue (TASP \$63.64), and 13007 – 149 Street (TASP \$73.41).

[13] The Complainant's comparables with those identified above in bold.

	Address	Eff Year	Site Cov.	Total Main	TASP per sq ft	Assmt per sq ft
S	14510-124 Ave	1962	39	65,400		\$79.47
1*	11771-167 St	1978	42	70,567	\$76.89	
2	11610-178 St	1997	26	26,200	\$87.44	
3*	11504-170 St	1981	52	69,209	\$70.10	
4	11603-165 St	1979	42	54,555	\$59.85	
5	14308-118 Ave	1967	38	22,323	\$60.48	
6*	16815-117 Ave	1976	58	84,854	\$63.64	
7*	13007-149 St	1971	50	25,200	\$73.41	

[14] The Complainant asked the CARB to reduce the assessment from \$79.47 to \$60.00 per square foot for a total of \$3,900,000.

Position of the Respondent

[15] The Respondent submitted a 30-page assessment brief marked exhibit R-1 and a 44-page law and legislation brief marked exhibit R-2.

[16] The Respondent presented seven sales comparables ranging in TASP from \$77.17 to \$95.24 per square foot and all but one situated in the northwest quadrant of the city, as is the subject. Comparable #3 is in the southeast quadrant and comparables #6 and #7 each have two building complexes.

[17] The Respondent's Comparables:

#	Address	Eff Year	Site Cov.	Total Main	Office Finish	Mezz Finish	Total Area (incl. mezz.)	Off. Fin %	TASP per sq ft
1	16295-132 Ave	1979	46	40,098	2,515	1,456	41,554	9.9	\$79.40
2	12930-148 St	1972	34	44,101	5,880		44,101	13.3	\$95.24
3	4115-101 St	1969	40	44,887	7,535		44,887	16.8	\$86.88
4	17407-106 Ave	1977	37	40,251	6,272	4,400	44,651	26.5	\$79.51
5	17915-118 Ave	1977	46	135,566	23,882		135,566	17.6	\$82.62
6	16304-117 Ave	1977	43	112,594	7,234		112,594	6.4	\$79.93
7	14604-134 Ave	1979	37	114,037	5,974		114,037	5.2	\$77.17
S	14510-124 Ave	1981	36	65,398	7,850				\$79.47

[18] In response to the Complainant's comments regarding the age and condition of the subject, the Respondent stated that \$1,800,000 was spent on renovations in 2008 resulting in an effective age of 1981.

[19] The Respondent asked the CARB to confirm the assessment at \$5,197,500.

Decision

[20] The CARB confirms the 2012 assessment.

Reasons for the Decision

[21] The Complainant's request of \$60.00 is below the rate indicted by the comparables presented. The average TASP of the Complainant's 4 best comparables is above \$70.00. The average of the Respondent's comparables is \$82.00.

[22] The Board considers the effective age to be reasonable. An infusion of \$1.8 million into the subject property is likely to increase the life expectancy as mechanical upgrades, replacements, and short life item renovations are required for a building of the subject's vintage.

[23] The evidence provided by both parties does not indicate a per square foot rate approaching the Complainant's request. In the absence of evidence to support the request 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.