

## Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2012 ECARB 2287

Assessment Roll Number: 3805157  
Municipal Address: 14939 112 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 multi-tenant office/warehouse buildings containing a total of 24,182 square feet (sq. ft.) of space, located on a 59,322 sq. ft. lot located in the City's High Park Industrial area of Northwest Edmonton. Of this space, 749 sq. ft. is a finished mezzanine and 2,868 sq. ft. is main floor office space. Both buildings were built in 1973 and occupy 39.4% of the site. 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)

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

[4] Is the current assessment fair and equitable when compared to similar properties?

### 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 the Board with a 35-page submission (C-1) in support of his request for a reduced assessment.

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

[8] The Complainant provided 12 sales comparables (C-1, p. 1, with details of each comparable, including City assessment data on pages 8 – 30). The chart showed that the time-adjusted sales ranged from \$59.85 - \$96.31 per sq. ft., while the 2012 assessments ranged from \$60.47 - \$150.44 per sq. ft. These compared to the City’s assessment of the subject property at \$103.36 per sq. ft.

[9] All the properties were located in the same northwest quadrant as the Subject and were built between 1961 and 1985, compared to the subject property, which was built in 1973.

[10] The Complainant presented the Board with a copy of a CARB decision from October, 2011 on the subject property (C-1, pp 32-35), in which the Board accepted the argument of the Complainant and reduced the assessment from \$2,652,000 to \$2,176,000.

[11] The Complainant told the Board that his sales comparables, # 4, 7, 10 and 11 were the most appropriate for consideration from the perspectives of physical and locational characteristics. These had time-adjusted sale prices of \$95.39, \$73.41, \$93.43 and \$60.48 respectively. Each comparable was located on a major road, while the subject had partial access to 149 Street, one of the two major roads on which his favoured comparables were located. He suggested that these supported the request for an assessment of \$90.00 per sq. ft, giving a total assessment for the property of \$2,176,000.

## **Position of the Respondent**

[12] The Respondent presented the Board with a 39-page submission (R-1), together with a copy of the City's 44-page Law and Legislation briefing (R-2).

[13] The Respondent outlined mass appraisal methodology for valuing properties (R-1, pp 4 - 8) and informed the Board that the subject property had been valued by Direct Sales Comparison. Factors found to affect value in the warehouse inventory include location, size of lot, age and condition of buildings, total main floor area, amount of finished area on the main floor and developed upper area (R-1, p. 7).

[14] The Respondent stressed that the assessment models, the process utilized and the results are submitted annually to the Assessment Services Branch of the Department of Municipal Affairs for audit purposes. The Respondent indicated that the audit had been passed and that the City of Edmonton had met all governing legislation including regulations and quality standards.

[15] The Respondent indicated that the Direct Sales Comparison Approach to valuation provided the best indication of value for buildings such as the subject property.

[16] The Respondent informed the Board that the subject property with the two buildings occupied slightly more than 24,000 sq. ft. He presented two photographs of each of the two buildings to illustrate the proximity to 149 Street (R-1, pp 12-15), a key north-south road in Edmonton's Northwest region.

[17] The Respondent presented the Board with a chart of eight sales comparables (R-1, page 21), which included two buildings he described as similar to the smaller of the two subject buildings and three buildings similar to the subject's larger building. All of these were in the same northwest quadrant of the city as the subject. In addition, he included three multi-building properties in the southeast quadrant of the City. The time-adjusted sales prices of the single building properties ranged from \$93.27 to \$169.36 per sq. ft., while the time-adjusted sales prices for the three multi-building properties ranged from \$143.96 to \$165.06 per sq. ft.

[18] The Respondent also presented the Board with a chart of six Equity Comparables, each with two or three buildings on the property and which were all in the City's northwest quadrant (R-1, p. 30). The assessments per sq. ft. of these comparables ranged from \$101.04 to \$127.42 per sq. ft., suggesting that these supported the City's assessment of the subject property at \$103.36 per sq. ft.

[19] The Respondent also outlined the City's policy regarding Multi-Building Accounts (R-1, p 32). In this process, "each building has been analyzed for its contributory value to the property. For such accounts, a single assessment has been produced that represents the aggregate market value of that particular property."

[20] The Respondent suggested that multi-building sites had a greater sales potential than similar sites with only one building. However, when questioned by the Board for support of this concept, he could not provide evidence.

## **Complainant's Rebuttal**

[21] The Complainant presented the Board with a Rebuttal document (C-2), which focused on the Respondent's single-building sales comparables, showing the assessments for each of the

five properties, the assessments per sq. ft. and the assessments to sales ratios (ASR) for four of them. Four of the five 2012 assessments were lower than the time-adjusted sales prices (TASPs) with their ASRs ranging from .72 - .98. The fifth property – at 11330 142 Street had been assessed at slightly more than the TASP and had an ASR of 1.03.

### **Decision**

[22] The decision of the Board is to reduce the assessment per sq. ft. to \$95, providing a reduced rounded assessment of **\$2,297,500**.

### **Reasons for the Decision**

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

[24] The Board was of the view that while the Complainant presented a significant list of comparables, which were all from the northwest quadrant of the City, some had major differences in both building size and site coverage.

[25] The Board reviewed the eight sales comparables presented by the Respondent, but was of the opinion that the three multi-building projects were not appropriate as they were totally different types of property and all located in Southeast Edmonton.

[26] The Board found that there was no evidence that multi-building properties sell for more than single-building industrial sites.

[27] The Board felt that two properties, which were presented by both parties in their submissions, provided a good basis for reaching its decision. These two properties were located at 16440 130 Avenue and 11565 149 Street. While the data presented by the two parties showed minor differences in the selling prices per sq. ft. of the two properties, both had been sold in 2011, which called for no adjustments in TASPs. The Complainant showed that the sales price per sq. ft. for the property on 130 Avenue was \$96.31, while the Respondent showed a figure of \$95.12. Similarly, the Complainant presented a figure of \$93.43 per sq. ft. for the sale of the property on 149 Street, while the Respondent showed a figure of \$93.27.

[28] The equity values of these two properties, as indicated in the 2012 assessments, were \$93.26 and \$87.92 respectively, producing an average of \$90.59 per sq. ft.

[29] Based on the average selling prices and equities of these common properties, the Board was of the opinion that a rate of \$95 per sq. ft. was appropriate for the subject property. This per sq. ft. value results in a total value of \$2,297,290, which would produce an assessment, rounded to the nearest \$500, of **\$2,297,500**.

### **Dissenting Opinion**

[30] There was no dissenting opinion.

Heard commencing October 15, 2012.

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

---

Warren Garten, Presiding Officer

**Appearances:**

Tom Janzen  
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.*