

Edmonton Composite Assessment Review Board

Citation: Galperti Canada ULC c/o CVGG v The City of Edmonton, 2012 ECARB 477

Assessment Roll Number: 9562687

Municipal Address: 3931 76 AVENUE NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

**CVG Canadian Valuation Group /
Assessment Advisory Group Inc., 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 8991804 (citation: 2012 ECARB 1796). Accordingly, they advised that a large percentage of the evidence would be carried forward to this hearing.

Background

[4] The subject property is an office/warehouse complex, located in the Weir Industrial area of Edmonton. The site area of the parcel is 1.156 acres with site coverage of 45%. The assessment summary identifies 24,198 sq. ft. of building space with a year built of 2000.

Issue(s)

Is the 2012 assessment of \$3,066,500 correct?

Legislation

[5] 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.

[6] 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.

[7] 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

[8] 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

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

[10] The Complainant presented the following seven sales comparables:

	Address	Age	Site cov.	Sale date	Bldg. Area	TASP per sq ft	Assessment Per sq. ft.
1	5725/33-92 St.	1971	37%	May '09	15,002	\$110.58	
2*	7216-76 Ave.	1976	55%	May '09	15,000	91.36	
3	7703/15-69 St.	1975	36%	Jul '09	15,800	107.16	
4*	9719-63 Ave.	1988	44%	Jul '10	17,149	104.96	
5	5820-96 St.	1979	45%	Aug '10	10,000	100.00	
6*	7603 McIntyre Rd	2001	25%	Dec '10	44,000	100.57	
7*	4115-101 St.	1978	40%	Dec '10	44,994	86.67	
Subj.	3931-76 Ave.	2000	45%		24,198		\$126.73

[11] The Complainant stated that his strongest comparables were #2, #4, #6, and #7 with TASP of \$91.36, \$104.96, \$100.57 and \$86.67 respectively. Comparable #2 is on 76 Avenue as is the subject.

[12] The Complainant carried forward his comments from roll #8991804 under citation: 2012 ECARB 1796 and roll #9562893 under citation 2012 ECARB 1795.

[13] In summary the Complainant stated that his comparables were superior to those used by the Respondent because their site coverages are most similar to the site coverage of the subject.

[14] Based on the comparables identified as carrying the most weight, the Complainant requested an assessment at \$100.00 per square foot or \$2,420,000.

Position of the Respondent

[15] The Respondent submitted a 35-page assessment brief (exhibit C-1) and a 44-page law and legislation brief (exhibit R-2).

[16] The Respondent drew the CARB's and the Complainant's attention to the factors affecting value for the subject. The factors are: the location, the parcel size, the age, condition, and footprint of each building as well as the amount of main floor and upper area development, the upper space being at a lesser rate than the main.

[17] The Respondent presented six sales comparables in support of the assessment.

	Address	Sale date	Eff.Y r.	Site Cov.	Main Floor area	Main floor office area	upper office area	Total Bldg. area	TASP / sq. ft.
1	5880-56 Ave	Feb 7/08	2000	33%	30,078	7,716	-	30,078	\$143.65
2	6111-56 Ave	Jul 16/08	1998	34%	23,958	4,706	-	23,958	\$146.07
3	3120-93 St	Jun 30/10	1986	36%	17,802	6,428	-	17,802	\$129.20
4	7750 Yellowhead Tr.	Apr 30/08	1981	35%	13,721	668	1,065	14,786	\$129.78
5	16821-107 Ave	Jan 28/10	1987	39%	16,668	6,383	3,225	19,893	\$158.46
6	7324-76 Ave	Apr 27/11	1976	37%	15,089	4,140	-	15,089	\$122.27
S	3931-76 Ave.		2003	45%	22,847	1,398	1,350	24,198	\$126.73

[18] The Respondent pointed out that all the comparables are similar in size to the subject and that #1 and #2 are closest in age to the subject. The Respondent carried forward his other comments from roll #8991804 and #9562893.

[19] In response to questions the Respondent stated that generally similar properties in the southeast quadrant of the city sell at a higher price than those in the northwest and that the difference might be in the range of 5-10%.

[20] The Respondent questioned the Complainant's comparable #2 as the site coverage is larger than the subject's and the Complainant's comparables #6 and #7 are much larger than the subject.

Decision

[21] The CARB confirms the 2012 assessment at \$3,066,500.

Reasons for the Decision

[22] The Complainant's best comparable #6 at 7603 McIntyre Rd is most similar to the subject as to its year built. This comparable is almost twice the size of the subject. The subject's site coverage is 45% whereas this comparable is 25%. The upward adjustment for size and site coverage required to the Complainant's comparable # 6 places the indicated rate per square foot well above the \$100.00 per square foot requested.

[23] The balance of the Complainant's comparables were given less weight as they were less similar in age and size to the subject.

[24] The Respondent's sales range from \$122.27 to \$158.46 per square foot. The subject, assessed at \$126.73, is within this range even though the Respondent's comparables #2 and #3 have smaller site coverages.

[25] The onus rests with the Complainant to provide the evidence in support of the \$100.00 requested. The CARB is not persuaded by the comparables put forth by the Complainant.

Heard commencing October 23, 2012.

Dated this 22nd 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.