

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01397

Assessment Roll Number: 1075696

Municipal Address: 4771 94 Avenue NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Patricia Mowbrey, Presiding Officer
Jack Jones, Board Member
Jasbeer Singh, Board Member

Procedural Matters

- [1] Upon questioning by the Presiding Officer, the parties indicated they had no objection to the composition of the Board. In addition, the Board members indicated they had no bias on this file.

Preliminary Matters

- [2] There were no preliminary issues before the Board.

Background

- [3] The subject is a single-tenant office/warehouse property located at 4771 – 94 Avenue NW in Eastgate Business Park neighbourhood in southeast Edmonton. Constructed in 1983, the building is assessed in average condition and has a total main floor area of 9,616 sq ft, 1,199 sq ft of which is finished office space. Additional upper office space at the mezzanine level, measures 1,199 sq ft.

Issue(s)

- [4] Is the subject property assessed in excess of market value?

Legislation

[5] The *Municipal Government Act*, RSA 2000, c M-26, reads:

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 position of the Complainant is that the subject property assessment of \$1,837,500 is in excess of the market value. In support of this position, the Complainant presented a 15 page assessment brief (Exhibit C-1), testimonial evidence and argument.

[7] The Complainant provided a chart of four sales comparables that were built between 1956 and 1991, ranged in site coverage from 12% to 28%, building sizes varied between 8,000 sq ft and 13,187 sq ft and the time adjusted sale prices varied between \$142.14 and \$178.14/ sq ft, (C-1, page 1). The subject property is shown below the chart of the Complainant's seven sales comparables.

	Address	Year Built	Site Cover %	Total Area	Sale Date	TASP sq ft
1	9540 - 60 Ave	1967	15	12,035	Dec-08	171.63
2	9740 - 54 Ave	1956	11	8,347	Jun-09	165.75
3	8315 Davies Rd	1973	24	8,000	Mar-10	178.14
4	4611- Morris Rd	1991	33	13,187	Apr-10	142.14
Sub	4771 - 94 Ave	1983	19	9,616	Asmt	191

[8] The Complainant requested the Board to consider all four sales comparables as they had the most characteristic similarities with the subject (C-1, page 2). However, during the hearing, the Complainant put more reliance on sales comparables #1, #2 and #3.

[9] The Complainant stated that there was a likely size error in the Respondent's comparable #5, which is also the Complainant's sale comparable #1 (C-1, page1).

[10] The Complainant requested the Board to reduce the subject property's 2013 assessment to \$165/ sq ft for a total of \$1,586,000, (C-1, page 2).

Position of the Respondent

[11] The Respondent presented to the Board a 52 page document (Exhibit R-1) that included an assessment brief and a Law & Legislation brief.

[12] The Respondent's assessment brief included a chart of six sales comparables, two of which (#1 and #5) were also included in the Complainant's chart of sales comparables. The Respondent's six sales comparables and the subject property with 2013 assessment of \$191/ sq ft are as follows.

	Address	Loc. Grp.	Year Built	Site Cover %	Total Main Flr	Main Floor Office	Upper Finish	Total Area	Cond.	Sale Date	TASP \$/ sq ft
1	9740 - 54 Ave	18	1956	11	7,440	1,440	0	7,440	Avg	Jun-09	186
2	9610 - 39 Ave	18	1997	29	15,000	3,378	0	15,000	Avg	Nov-11	187
3	9508 - 62 Ave	18	1970	21	5,534	2,058	312	5,846	Avg.	Jan-09	191
4	1554 - 70 Ave	20	1980	17	7,258	1,140	1,140	8,398	Avg	Jan-08	193
5	9540 - 60 Ave	18	1967	15	10,637	1,397	0	10,637	Avg	Dec-08	194
6	840 - 78 Ave	20	1985	20	7,058	1,596	0	7,058	Avg	Jul-09	205
Sub	4771 - 94 Ave	18	1983	19	9,616	1,199	0	9,616	Avg	Asmt	191

[13] The Respondent stated that the most significant factors affecting value, in the order of importance were, (R-1, page 8):

1. Total main floor area (per building)
2. Site coverage
3. Effective age (per building)
4. Condition (per building)
5. Location
6. Main floor finished area
7. Upper finished area (per building)

[14] The Respondent stated that the Complainant's sales comparables needed adjustment in multiple dimensions and further argued that:

- a. The building size of comparable #1, as stated by a third party, was 12,035 sq ft (C-1, page 1 and 7). A different third party report in respect of this property showed the size as 12,600 sq ft (R-1, page 22). However, the Respondent stated that the correct size is 10, 637 sq ft, (R-1, page 16 and 24).
- b. While all of the Complainant's sales comparables are located in industrial group 18, are in average condition and comprise of only one building each, the same as the subject, the effective ages and the site coverage vary significantly.

- c. Based on the size measurements in the City records, the time adjusted sale prices in respect of the two common comparables (#1 and #2), supports the subject property's 2013 assessment at \$191/ sq ft (R-1, pages 17, 24, 25 and 27).
- d. The Respondent asked the Board to place less weight on the Complainant's sales comparables #3 and #4, as these had considerably higher site coverage (R-1, page 17).

[15] The Respondent stated that the Complainant's sales comparables (#1, #2 and #4) indicated incorrect building sizes. With correct measurements based on the City records, the time adjusted sales prices of these properties support the subject's 2013 assessment of \$191/ sq ft.

[16] The Respondent requested the Board to confirm the 2013 assessment of \$1,837,500.

Decision

[17] The Decision of the Board is to confirm the subject's 2013 assessment at \$1,837,500.

Reasons for the Decision

[18] The Board considered the Complainant's sales comparables and noted the following:

- a. Sale #1: Similar location, 20% lower site coverage, similar condition and building size, comparable finished main floor office space but considerably older in age (by 16 years) than the subject property.
- b. Sale #2: Similar location, 40% lower site coverage, 23% smaller building size, similar condition, slightly larger finished main floor office space but much older (by 27 years) than the subject property.
- c. Sale #3: Similar location, 25% higher site coverage, similar condition, slightly smaller building size, very little finished main floor office space (618 sq ft) and ten years older than the subject property.
- d. Sale #4: Similar location, 74% higher site coverage with two-thirds the lot size, 33% larger building size, comparable finished main floor office space with an equal amount of finished upper space and 13 years newer than the subject property.

[19] The Board reviewed the six sales comparables presented by the Respondent, R-1, page 16, for comparability to the subject.

- a. Sale #1: Similar location, 40% lower site coverage, 23% smaller building size, similar condition, slightly larger finished main floor office space but much older (by 27 years) than the subject property. Also included in the Complainant's list as sales comparable #2.

- b. Sale #2: Similar location and condition, 14 years newer and 56% larger building on a comparable lot size. Site coverage is 50% higher than the subject.
- c. Sale #3: Similar location and condition, nearly half (57%) of the building size of the subject on a lot size that is half the size (52%) of the subject and comparable site coverage. The main floor finished office space is two-thirds larger than the subject with very small upper finished space the property is 13 years older than the subject.
- d. Sale #4: Less desirable location, comparable age and condition, 13% smaller building size with 10% lesser site coverage, comparable main floor finished office space and an equal sized finished mezzanine space, the lot size is about 20% smaller than the subject.
- e. Sale #5: Similar location, 20% lower site coverage on a 40% larger lot, the building is in similar condition size with comparable finished main floor office space but considerably older in age (by 16 years) than the subject property. Also included in the Complainant's list as sales comparable #1.
- f. Sale #6: Less desirable location, comparable age and condition, 27% smaller building with comparable site coverage on a lot that is two-thirds the size of the subject. Nearly 25% larger main floor finished office space and no finished mezzanine space.

[20] The Board finds that although most of the sales presented by both parties are comparable to the subject in terms of location, condition and finished main floor office space, sufficient differences exist in the three most significant valuation factors i.e. building size, site coverage and age.

[21] The Board finds that among other information placed before the Board, the two common sales comparables, although considerably older than the subject property, when analyzed with the City's assessment measurements, provide time adjusted sales prices that support the subject property's 2013 assessment of \$191 per sq ft.

[22] The Board finds that the Complainant's evidence, testimony and argument did not provide sufficient and compelling reasons for the Board to reduce the assessment. Jurisprudence has established that the burden of proof of demonstrating an assessment is incorrect rests with the Complainant.

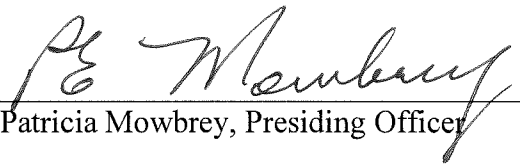
[23] The Board finds the subject 2013 assessment of \$1,837,500 is correct, fair and equitable.

Dissenting Opinion

[24] There was no dissenting opinion.

Heard September 26, 2013.

Dated this 23rd day of October, 2013, at the City of Edmonton, Alberta.


Patricia Mowbrey, Presiding Officer

Appearances:

Peter Smith
for the Complainant

Jason Baldwin, City of Edmonton
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.