

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01716

Assessment Roll Number: 9547159

Municipal Address: 4625 92 Avenue NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Larry Loven, Presiding Officer

Darryl Menzak, Board Member

Jasbeer Singh, Board Member

Procedural Matters

[1] At the outset of the hearing the Complainant and the Respondent confirmed that they had no objection to the composition of the Board and the Board members declared that they had no bias in matters before the Board.

Preliminary Matters

[2] There were no preliminary issues.

Background

[3] The subject property, located at 4625 – 92 Avenue NW in the Lambton Industrial neighbourhood, consists of two office/warehouse buildings with a total main floor area of 37,380 square feet. The first building, built in 1974, measures 16,037 square feet and has 3,879 sq ft of finished office space on the main floor and 4,151 square feet of finished office space on the upper mezzanine level. The Second building, built in 1975, measures 21,343 square feet and has 959 square feet of finished office space on the main floor. Both buildings are in average condition. The 2013 assessment of the subject property, based on income approach, is \$5,132,500.

Issue(s)

[4] Is the 2013 assessment of the subject property correct?

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 Complainant presented a 19 page brief, Exhibit C-1 (“C-1”), in support of the requested reduction in the 2013 assessment of the subject property.

[7] The Complainant presented a table of seven sales comparables, as summarized below, in support of a lower value. The subject property is immediately below the seven comparables.

#	Address	Year Built	Site Cover %	Total Area (Sq.Ft)	Sale Date	TASP per Sq.Ft
1	7703/15 - 69 St	1975	36	15,800	Jul-09	\$118.48
2	7603 McIntyre	2001	25	40,000	Dec-10	\$120.75
3	4115 - 101 St	1978	40	44,994	Dec-10	\$94.61
4	8210 McIntyre	1974	28	42,000	Jan-11	\$118.60
5	803/19 - 77 Ave	1982	29	24,485	Mar-11	\$104.46
6	9515 - 51 Ave	1972	16	29,492	May-11	\$124.50
7	4704 - 97 Str	1979	44	58,837	Aug-11	\$102.70
Subject	4625 - 92 Ave	74/75	28	41,532		\$123.58

[8] The Complainant provided a Board Order (*CVG v the City of Edmonton* , [2012] ECARB 1851) that had reduced the 2012 assessment of the subject property to \$98 per square foot. The

Complainant stated that this decision had been based on three sales comparables provided again as #1, #2 and #3 (C-1, p. 1).

[9] The Complainant requested the Board to place more weight on sales comparables #3, #4, #5 and #7 as these were most similar to the subject in terms of physical and location characteristics.

[10] In conclusion, the Complainant considered an assessment value of \$105.00 per square foot to be reasonable and requested the Board to reduce the 2013 assessment to \$4,360,500 (C-1, p. 2).

Position of the Respondent

[11] The Respondent submitted a 45 page document, Exhibit R-1 ("R-1"), in support of the 2013 assessment of the subject property. The document contain a testimonial statement, industrial warehouse brief, photographs and aerials of the subject property, detail report, complainant issues, comparable sales, additional evidence and a law brief.

[12] The Respondent provided a chart containing eight sales comparables, as summarized below, as well as the Complainants seven sales comparables.

#	Address	Loc Grp	Year Built	Site Cover %	Total Main Flr (Sq.Ft)	MF Finish Area (Sq.Ft)	Upper Finish (Sq.Ft)	Area	Cond	Sale Date	TASP per Sq.Ft
1	9515 - 51 Ave	12	1978	23	29,200	6,160	1,120	30,320	Avg	Jun-12	\$160
2	9204 - 37 Ave	18	1976	13	31,200	7,016	8,820	40,020	Avg	Jul-08	\$154
3	4350 - 68 Ave	18	89/'79	12	34,733	3,798	0	34,733	Avg	Aug-10	\$162
4	7504 - 52 Str	18	91/'00	30	29,916	5,861	5,861	35,777	Avg	Aug-10	\$154
5	4704 - 97 Str	18	1979	44	59,655	25,930	0	59,655	Avg	Aug-11	\$101
6	3849 - 76 Ave	18	97/'78	19	25,251	5,000	0	25,251	Avg	Apr-12	\$152
7	8210 - McIntyre	18	1974	28	41,991	13,165	0	41,991	Avg	Jan-11	\$119
8	4810 - 93 Str	18	1974	25	27,750	17,648	0	27,750	Avg	Feb-11	\$155
Sub	4625 - 92 Ave	18	1975	28	37,380	4,838	4,151	41,531	Avg		\$124

[13] The Respondent noted the following concerns with the Complainant's sales comparables.

- a. The building area of sales comparable #1 was only 40% of the subject property on a lot that was 32% smaller than that of the subject property. The purchaser was the lead tenant in the property. The time adjusted sale price of \$125 per square foot supported the subject property's assessment per square foot.
- b. Sales comparable #2 was built in 2001 and 26 years newer than the subject property.

- c. The Respondent also noted that the Complainant's sale #6 was the Respondent's sale #1. The sale of this comparable was given as June 2012 by the Respondent and May 2011 by the Complainant.
- d. The Respondent also noted that the Complainant's sale #6 was the Respondent's sale #1.
 - i. The Respondent cited the more recent, June 2012 sale, with a time adjusted selling price of \$160 per square foot.
 - ii. The Complainant cited the older, August 2011 sale with time adjusted sale price of \$124.50 per square foot.
- e. Two of the Complainant's sales comparables (#5 and #6) were from dissimilar locations in the city.

[14] In summation, the Respondent stated that the Complainant's sales comparables should not be relied upon due to various flaws pointed out. The Respondent requested the Board to confirm the 2013 assessment of the subject property \$5,132,500.

Decision

[15] It is the decision of the Board to confirm the 2013 assessment of the subject property at \$5,132,500.

Reasons for the Decision

[16] The Board recognizes that it is not bound by previous decisions of the Board, nor does the Board consider such citations as evidence; nevertheless, this Board gives such decisions, as cited by the Complainant in regards to the evidence relied upon, the appropriate weight.

[17] The Board understands that the factors affecting value in the warehouse inventory, given in the Respondent's 2013 Industrial Warehouse Brief, in descending order of importance are: the main floor area (per building); site coverage; effective age (per building); condition (per building); location of the property; main floor finished area; and upper floor finished area (per building).

[18] The Board accepts the Respondent's statement given in its 2013 Industrial Assessment Brief under the section Factors Affecting Value, that "*For **multiple building accounts**, 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 each building for that particular property*".

[19] The Board notes that three of the Complainant's sales comparables, #4, #6 and #7, were also presented as the Respondent's sales comparables, #1, #5 and #7. The average of these three common sales comparables support the subject property's assessment.

[20] Jurisprudence has established that the burden of proof of demonstrating an assessment is incorrect rests with the Complainant. 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. Accordingly, the Board finds the subject property's 2013 assessment of \$5,132,500 is correct, fair and equitable.

Dissenting Opinion

[21] None noted.

Heard commencing October 17, 2013.

Dated this 15th day of November, 2013, at the City of Edmonton, Alberta.


Larry Loven, Presiding Officer

Appearances:

Tom Janzen
for the Complainant

Jason Baldwin
Scott Hyde
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.