

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01765

Assessment Roll Number: 1611300
Municipal Address: 15803 121A Avenue NW
Assessment Year: 2013
Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Robert Mowbrey, Presiding Officer
Howard Worrell, Board Member
Judy Shewchuk, 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 members of the Board stated they had no bias in respect of this matter.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject is a 37,716 square foot two-building office/warehouse complex situated on a 4.312 acre site in the Hawin Park Estate Industrial neighbourhood. The complex has a site coverage of 18%. Building #1 at 30,216 square feet was built in 1981 and includes 4,576 square feet of finished mezzanine space. Building #2 at 7,500 square feet was built in 1999 and has no finished mezzanine space. The subject is assessed on the direct sales comparison approach at \$5,473,000 or \$145.11 per square foot.

Issue

[4] Does the assessment reflect the market value of the subject?

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 submitted an evidence package (Exhibit C-1, 15 pages) which presented nine sales comparables. The comparables ranged in age from 1958 to 2006 and included four two-building properties. The two-building properties had buildings constructed in 1989 and 2006; 1979 and 1976; and 1958 and 1990. The remaining two-building comparable had buildings both constructed in 1976. The sizes ranged from 39,679 to 84,854 square feet, and the site coverages from 28% to 55%. The time-adjusted sale prices (TASP) ranged from \$63.64 to \$103.04 per square foot.

[7] The Complainant stated that the best comparables were #1 at 15404-121A Avenue; #3 at 11570-154 Street; #4 at 16815-117 Avenue; and #5 at 12603-123 Street. These comparables had TASP of \$103.04, \$80.66, \$63.64, and \$72.81 per square foot respectively. In the Complainant's view these properties were the most similar to the subject in terms of their physical and locational characteristics (Exhibit C-1, page 2).

[8] The Complainant asked that the Board reduce the assessment to \$90 per square foot for a total of \$3,394,000.

Position of the Respondent

[9] The Respondent submitted an assessment brief (Exhibit R-1, 65 pages), which presented twelve sales comparables arranged in three groups. The first group of six buildings consisted of two-building properties. This first group was intended to be compared with the combined size of the two buildings on the subject. The effective ages of the buildings in this group ranged from 1973 to 2001. The total building size ranged from 22,938 to 40,427 square feet, with site coverages from 10% to 30%. The TASPs in this group ranged from \$118 to \$193 per square foot.

[10] The second group of three properties consisted of larger single buildings meant to compare to the larger of the subject's two buildings. The effective ages ranged from 1967 to 1992 and total building size ranged from 32,354 to 44,101 square feet. Site coverages were from 19% to 34%; and the TASP ranged from \$100 to \$131 per square foot.

[11] The third group of three properties consisted of smaller single buildings meant to compare to the smaller of the subject's two buildings. The effective ages ranged from 1986 to 2000 and total building size ranged from 7,317 to 11,232 square feet. Site coverages ranged from 17% to 24% and the TASP ranged from \$162 to \$194 per square foot (R-1, page 12).

[12] The Respondent argued that the Complainant's comparables #1 and #5 were non-arm's length sales; comparable #3 was part of a multi-parcel sale and included a cost building; and comparable #4 also included a cost building. This, therefore, rendered these sales invalid for comparison purposes.

[13] The Respondent recommended a 10% rear-building adjustment to reflect the restricted access to the rear building, thereby reducing the assessment to \$5,323,000. The Complainant did not accept the recommendation.

[14] The Respondent argued that the Complainant's comparables #4 and #5 described as having two buildings included cost buildings which were assessed at a nominal amount.

Decision

[15] The decision of the Board is to reduce the assessment of \$5,473,000 to \$5,323,000, as recommended by the Respondent.

Reasons for the Decision

[16] The Board found that the Complainant's comparables #1 at 15404-121A Avenue and #5 at 12603-123 Street were non-arm's length sales and did not consider these properties valid sales for comparison purposes.

[17] The Complainant's comparable #3 at 11570 and 11604- 154 Street, in addition to being part of a multi-parcel sale and having a cost building, was older and had a higher site coverage than the subject. The Board did not consider it to be a strong comparable.

[18] The Complainant's comparable #4 at 16815-117 Avenue, in addition to having a cost building, was also older than the subject and, more importantly, was much larger and had a much larger site coverage. The Board did not consider this property to be comparable to the subject.

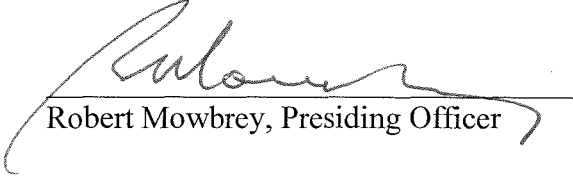
[19] The Board placed limited weight on the comparables presented by the Respondent as they varied greatly in age, size, site coverage, building count, and TASP's and, as a result, would require significant adjustments to render them comparable to the subject. The Board was persuaded, however, by the Respondent's offer to reduce the assessment to reflect the restricted access to the rear building.

Dissenting Opinion

[20] There was no dissenting opinion.

Heard commencing October 8, 2013.

Dated this 31ST day of OCTOBER, 2013, at the City of Edmonton, Alberta.



Robert Mowbrey, Presiding Officer

Appearances:

Tom Janzen
for the Complainant

Luis Delgado
Nancy Zong
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.