

Edmonton Composite Assessment Review Board

Citation: CVG v The City of Edmonton, 2013 ECARB 01774

Assessment Roll Number: 1484252
Municipal Address: 11140 154 Street 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 that they had no objection to the Board. In addition, the Board members indicated that they had no bias on this file.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property located at 11140 154 Street is a single tenant office/warehouse property containing a total of 9,000 square feet. It was built in 1973 and is in average condition. It is located in the High Park Industrial neighborhood, industrial group 17, and has a site coverage of 21%.

[4] The subject property was assessed on the market value approach and the 2013 assessment is \$144 per square foot or \$1,291,500.

Issue

[5] Is the 2013 assessment in excess of market value?

Legislation

[6] **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

[7] The Complainant filed this complaint on the basis that the assessment of \$1,291,500 is in excess of market value. In support of this position, the Complainant presented a 14 page disclosure package marked as Exhibit C-1.

[8] A correction to Exhibit C-1, page 1 was provided by the Complainant to add comparable sale #6 at 12604 126 Street to the sales comparable list on that page. This sale comparable was included in the attachments at page 12 of Exhibit C-1 and in error had been missed on the sales comparable list on page 1. There was no objection from the Respondent.

[9] The Complainant provided the Board with photographs and maps of the subject property (Exhibit C-1 pages 3-5).

[10] The Complainant presented the Board with six sales comparables that have been time adjusted, using the City of Edmonton’s time adjustment schedule, from the date of sale to the valuation date (Exhibit C-1 page 1). The time-adjusted sale price per square foot of these comparables ranged from \$69.98 to \$143.00 per square foot compared to the subject at \$144.00. The site coverage ranged from 12% to 59% compared to the subject at 21%. The six sales also ranged in size from 5,864 square feet to 9,000 square feet compared to the subject at 9,000 square feet.

[11] During argument and summation, the Complainant stated that the most weight should be placed on sales 1, 3 and 5. The Complainant argued that in terms of physical and locational characteristics these sales were the most similar to the subject and supported the requested market value of \$130.00 per square foot.

[12] The Complainant requested that the Board reduce the 2013 assessment from \$1,291,500 to \$1,170,000.

Position of the Respondent

[13] The Respondent defended the 2013 assessment by providing the Board with a 66 page disclosure package marked as Exhibit R-1.

[14] The Respondent provided photos, maps and the detailed assessment sheets of the subject property (Exhibit R-1 pages 15-22).

[15] To support the City of Edmonton's assessment of \$1,291,500 or \$144 per square foot, the Respondent presented a chart of four sales comparables. The comparables ranged in effective year built from 1969 to 1997 compared to the subject's effective age of 1973. The total building areas of the sales comparables ranged from 7,440 square feet to 15,870 square feet compared to the subject's size of 9,000 square feet. The time-adjusted sale price per square foot of total floor area ranged from \$112 to \$197 per square foot compared to the subject at \$144 (Exhibit R-1 page 25).

[16] The Respondent raised the issue of un-assessed main floor office space and provided a series of photos of that space to show the areas in question (Exhibit R-1, pages 17, 18). This main floor office area is 1,059 square feet and would change the 2013 assessment to \$1,332,000 or \$148 per square foot. These office areas were not accounted for in the 2013 assessment details (Exhibit R-1, page 22) or the 2013 assessment for the subject property. The Respondent told the Board that additional value would not be requested for the 2013 assessment but they would be added on for the 2014 assessment.

[17] The Respondent referred the Board to the use of averages (R-1, page 11) and cautioned that their use can be misleading when weighing sales. Instead of merely using averages, a qualitative approach should be used.

[18] The Respondent advised the Board the factors that affect value in the warehouse inventory are as follows: total main floor area (per building), site coverage, effective age (per building), condition (per building), location of the property, main floor finished area, as well as upper finished area (per building) (Exhibit R-1 page 8- 10). The Board was told that location ranked fifth on the list of the seven ranked factors.

[19] The Respondent during his summary stated that 60% of the market is owner occupied and that vacancy rates have an impact on the sale price when negotiating the sale of properties in the industrial inventory.

[20] In summary, the Respondent stated that all his comparables were in group 17, as was the subject. Therefore, the Respondent requested that the Board confirm the assessment of \$1,291,500.

Decision

[21] The decision of the Board is to confirm the 2013 assessment of \$1,291,500.

Reasons for the Decision

[22] Three of the six sales comparables provided by the Complainant and identified as being a duress sale, a non-arm's length sale and an industrial condo were not considered valid for comparison purposes by the Board. Of the three remaining sales of the Complainant, two were in different districts and had substantially different site coverages than the subject. The Board therefore placed minimal weight on these sales.

[23] The final sale of the Complainant at 11615 147 street was older, being built in 1963, while the subject was built in 1973. This sale also had larger site coverage at 32%, versus the 21%

coverage of the subject. Significant adjustments would be needed to compare this property to the subject.

[24] The Board found that many of the sales comparables from each party required numerous adjustments in value that the Board did not have adequate evidence to quantify. However, the Board is nevertheless satisfied that the Respondent's comparables provided the best indicator of market value.

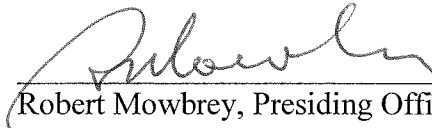
[25] The Board therefore put most weight on the Respondent's four comparables and the number two sale of the Complainant. These were all located in the same neighborhood as the subject and ranged from \$68 to \$197 per square foot. The average of these sales was \$144 per square foot, which supports the assessment of the subject property at \$144.

Dissenting Opinion

[26] There were no dissenting opinions.

Heard commencing October 9, 2013.

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


Robert Mowbrey, Presiding Officer

Appearances:

Tom Janzen
for the Complainant

Jason Baldwin
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.