

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01775**

**Assessment Roll Number:** 9947282

**Municipal Address:** 15810 131 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 that they had no objection to the composition of the Board. In addition, the Board members indicated that they had no bias on this file.

### **Preliminary Matters**

[2] At the commencement of the hearing the Respondent indicated that an issue respecting the tax exemption of the subject property needed to be addressed under the *Community Organization Property Tax Exemption Regulation*, Alta Reg 281/1998. The Respondent asked for the removal of pages 32-36 the City's brief and the Complainant agreed. The Respondent informed the Board that the City is reviewing all exemption calculations to ensure that a consistent methodology is applied and that the exemption on this roll number needed to be corrected.

[3] The Respondent presented a revised exhibit page (R-2) on the exemption issue. The Respondent requested that the Board accept the recommendation for the percentage exemption at 18.431% for the Community Options space within the subject property.

[4] The Complainant was in agreement with the recommendation and the Board recessed to consider the matter. After deliberations the Board rendered its decision to accept the recommendation from the Respondent and the merit hearing continued.

## **Background**

[5] The subject property, located at 15810- 131 Avenue in the Mistatim Industrial neighborhood, is a multi-tenant office/warehouse with a total of 28,214 square feet. It was built in 1979 and is in average condition. It is in industrial group 20 and has a site coverage of 28%.

[6] The subject property was assessed on the market value approach and the 2013 assessment is \$108 per square foot or \$3,056,000.

## **Issue**

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

## **Legislation**

[8] **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**

[9] The Complainant filed this complaint on the basis that the assessment of \$3,056,000 is in excess of market value. In support of this position, the Complainant presented an 18 page disclosure package marked as Exhibit C-1.

[10] The Complainant provided the Board with photographs and maps of the subject property (Exhibit C-1 pages 3-7).

[11] The aerial maps provided by the Complainant in Exhibit C-1, pages 5-7, show the subject property to have non-useable property setbacks that exceed normal setbacks. These setbacks restrict the full use of the subject property.

[12] The Complainant presented the Board with eight 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 ranged from \$61.57 to \$104.29 while the site coverage ranged from 16% to 63%. The comparables ranged in size from 14,319 square feet to 32,240 square feet.

[13] In response to a question by the Respondent, the Complainant stated that a vacant building at sale is not necessarily a detrimental factor as a purchaser might want occupy the building. The majority of the industrial inventory is owner occupied.

[14] During argument and summation, the Complainant stated that both parties used sale #1 as a common comparable. The Complainant advised the Board that sales comparables #1 and #7 were the best comparables and that when averaged (\$98.79) they supported a market value of \$95.00 per square foot.

[15] The Complainant requested that the Board reduce the 2013 assessment from \$3,056,000 to \$2,680,000.

### **Position of the Respondent**

[16] The Respondent defended the 2013 assessment by providing the Board with a 55 page disclosure package marked as Exhibit R-1.

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

[18] To support the City of Edmonton's assessment of \$3,056,000 or \$108 per square foot, the Respondent presented a chart of six sales comparables. The sales ranged in effective year built from 1980 to 1998. The total building areas of the sales comparables ranged from 13,994 square feet to 32,354 square feet. The time-adjusted sale price per square foot of main floor space ranged from \$103 to \$223 (Exhibit R-1 page 25).

[19] The Respondent stated that the Complainant also used the same #1 sale comparable as the Respondent.

[20] 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.

[21] During his summary the Respondent stated that 60% of the industrial market is owner occupied and that vacancy rates have an impact on the sale price when parties negotiate the sale of an industrial property.

[22] In summary, the Respondent stated that all comparables were in group 17 and 20. In addition, there is one shared comparable with the Complainant and the Respondent's sales chart supports the assessment. Therefore, the Respondent requested that the Board confirm the assessment of \$3,056,000.

### **Decision**

[23] The decision of the Board is to confirm the 2013 assessment of \$3,056,000.

### **Reasons for the Decision**

[24] As to the claim by the Complainant that the subject property suffers from an adverse effect in regards to the setbacks of its corner location, the Board was not presented with evidence to quantify the disadvantage, if any.

[25] Three of the 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 purpose by the Board.

[26] The Board found that the balance of the sales comparables, with the exception of the common sale provided by each party, required numerous adjustments in value that the Board could not adequately quantify based on the evidence provided.

[27] The Board put most weight on the sale at 16440- 130 Avenue, which had been provided by both parties. This property, with similar site coverage, effective age and total building size required the least amount of adjustments either up or down to make it comparable to the subject property. This sale, at a time-adjusted value of \$103 per square foot, supports the assessment of the subject property at \$108.

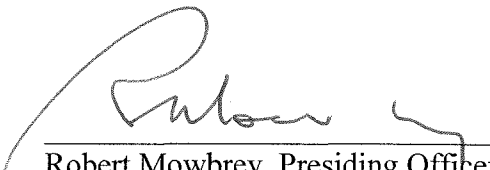
[28] The Board finds the evidence before it supports a conclusion that the assessment reflects market value and meets the requirements for fairness and equity with comparable properties.

### **Dissenting Opinion**

[29] There were no dissenting opinions.

Heard commencing October 9, 2013.

Dated this 31<sup>st</sup> day of OCTOBER, 2013, at the City of Edmonton, Alberta.

  
Robert Mowbrey, Presiding Officer

### **Appearances:**

Tom Janzen  
for the Complainant

Jason Baldwin  
Karen Perry  
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.*