

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01802**

**Assessment Roll Number:** 4251013

**Municipal Address:** 15253 121A AVENUE NW

**Assessment Year:** 2013

**Assessment Type:** Annual New

Between:

**CVG**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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**DECISION OF**  
**Larry Loven, Presiding Officer**  
**Brian Hetherington, Board Member**  
**Dale Doan, Board Member**

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### **Procedural Matters**

[1] 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.

[2] At the request of the parties, the Board carried forward argument and evidence from roll number 1591056 to this roll number, where applicable.

### **Preliminary Matters**

[3] Immediately prior to the submission of the Complainant's rebuttal, the Respondent raised an objection in that it was stated to be new evidence. The Board recessed to consider the objection and found that the Complainant's rebuttal, in response to the Respondent's disclosure, was about the matter of the assessment amount shown on the assessment notice. Based on this finding, the Board decided to allow the rebuttal.

### **Background**

[4] The subject property is assessed as a single, 65,711 square foot single-tenant warehouse on a 3.66 acre lot, built in 1990 with as site coverage of 41%. It is located in the Mitchell Industrial neighbourhood.

### **Issue**

[5] Is the assessment of the subject property correct in market value and equity?

## 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.

[7] **The *Matters Relating to Assessment Complaints Regulation*, AR 310/2009 (MRAC), reads:**

s 9(1) A composite assessment review board must not hear any matter in support of an issue that is not identified on the complaint form.

## Position of the Complainant

[8] The Complainant submitted a 26 page disclosure, Exhibit C-1, in support of their position that the 2013 assessment of the subject property was incorrect in market value and in equity. To further support their position the Complainant presented a 5-page Rebuttal, Exhibit C-2.

[9] The Complainant provided seven sales comparables summarized as follows:

#	Address	Sale Date	Main Floor Area	Bldg #	% Site Cover	Eff Age	Condition	Location	Main Floor Finish	Upper Finish
1	16440-130 Ave	Jan-11	30,752	1	31	1981	<i>Avg</i>	20	6,157	0
2	11570-154 St	Jul-11	33,396	2	30	76/79	<i>Avg</i>	17	10,311	6,199
3	16815-117 Ave	Nov-11	74,341	1	57	1980	<i>Avg</i>	17	16,083	16,250
4	16104-114 Ave	Jan-12	65,600	2	34	77/06	<i>Avg</i>	17	13,907	1,120
5	12603-123 St	Jan-12	43,949	2	28	58/90	<i>Avg</i>	17	4,933	556
6	14350-123 Ave	Jun-12	57,344	1	46	1976	<i>Avg</i>	17	1,536	0
7	14320-121A Ave	Jul-12	47,058	1	46	1972	<i>Avg</i>	17	2,840	1,920
<b>Sub</b>	<b>15253-121A Ave.</b>		<b>65,710</b>	<b>1</b>	<b>41</b>	<b>1990</b>	<b><i>Avg</i></b>	<b>17</b>	<b>5,942</b>	<b>0</b>

*Note: For comparative purposes, italics indicated data provided by the Respondent.*

[10] The Complainant also provided adjustments based on variances to the subject property in terms of building size, site coverage and effective age, which he suggested would provide a more fair and equitable assessment. These adjustments are presented on the following chart:

#	Address	TASP / Sq Ft (Total)	Assessed / Sq ft (Total)	Adjust / Sq Ft (Total)	Adjusted TASP / Sq Ft (Total)	Adjusted Assessed / Sq Ft (Total)
1	16440-130 Ave	<i>\$103</i>	\$111.00	-20%	\$83.43	\$89.62
2	11570-154 St	<i>\$81</i>	\$125	-15%	\$68.56	\$93.13
3	16815-117 Ave	\$60	\$63	+35%	\$85.91	\$90.17
4	16104-114 Ave	<i>\$115</i>	\$112	-15%	\$84.77	\$82.35
5	12603-123 St	\$72.81	\$60.64	-15%	\$61.89	\$51.54
6	14350-123 Ave	\$79	\$71	+15%	\$91.01	\$81.59
7	14320-121A A	<i>\$82</i>	\$76	+10%	\$94.22	\$83.62
<b>15253-121A</b>						
Sub	Ave		\$ 88.08			

*Note: For comparative purposes, italics indicated data provided by the Respondent.*

[11] In C-2, the Complainant provided the Respondent's sales comparables with the attached 2013 assessment data for each, as summarized in the table below.

#	Address	% Site Cover	Eff Age	TASP / Sq Ft (Total)	Assessed/ Sq ft (Total)
1	17404-111 Ave	39	2005	\$152	\$110.50
2	17915-118 Ave	46	1977	\$88	\$65.46
3	12959-156 St	42	2008	\$134	\$100.72
4	14350-123 Ave	46	1976	\$79	\$70.95
<b>15253-121A</b>					
Sub	Ave	41	1990		\$88.08

[12] Based on the Complainant's analysis of its sales comparables and their assessments to the subject property, the Complainant considered a base year market value of \$80 per square foot to be reasonable, or \$5,256,500.

[13] In conclusion, the Complainant requested the 2013 assessment of the subject property be reduced to \$5,256,500.

### **Position of the Respondent**

[14] The Respondent submitted a 47 page disclosure, Exhibit R-1 containing an industrial warehouse brief, pictures, maps, a profile report, complainant issues, comparable sales, equity comparables, additional evidence, a conclusion and law brief.

[15] The Respondent's *City of Edmonton's 2013 Industrial Warehouse Assessment Brief* listed the factors affecting the value in the warehouse inventory, in declining importance, as:

total main floor area, site coverage, effective age, condition, location, main floor finished area, and upper finished area.

[16] The Respondent submitted a chart containing four sales comparables, which are summarized in the following table:

#	Address	Sale Date	Main Floor Area	% Site Cover	Eff Age	Condition	Location	Main Floor Finish	Upper Finish	TASP / Sq Ft (Total)
1	17404-111 Ave	June-08	65,241	39	2005	Avg	17	25,399	9,560	\$152
2	17915-118 Ave	Mar-11	135,566	46	1977	Avg	17	23,882	0	\$88
3	12959-156 St	Jul-2011	98,358	42	2008	Avg	17	5,621	1,660	\$134
4	14350-123 Ave	June-12	57,344	46	1976	Avg	17	1,536	0	\$79
<b>15253-121A</b>										
Sub	Ave		<b>65,710</b>	<b>41</b>	<b>1990</b>	<b>Avg</b>	<b>17</b>	<b>5,953</b>	<b>0</b>	<b>\$88</b>

[17] The Respondent's chart indicated that its sales comparables #1 and #3 required an overall downward adjustment; #4 required an upward adjustment; and, #2 required no adjustment. The Respondent also included a chart of the Complainant's sales comparables. This chart indicated that the Complainant's sales comparable #1 required a downward adjustment; #3, #6 and #7 required an upward adjustment; #2 required no adjustment; #4 was part of a portfolio sale; and #5 was noted to be a non-arm's length sale. The Respondent also notes that their sale comparable #4 is the same as the Complainant's sale comparable #6.

[18] The Respondent submitted a table of five equity comparable properties, which are all located Industrial Group 17, similar to the subject property. The information is summarized as follows:

#	Address	Main Floor Area	Bldg Count	% Site Cover	Eff Age	Condition	Location	Main Floor Finish	Upper Finish	Assmt / Sq Ft (Total)
1	16310-121A Av	59,195	1	42	1993	Avg	17	5,197	0	\$92
2	14735-134 Ave	61,488	1	38	1983	Avg	17	3,412	0	\$85
3	14510-124 Ave	65,398	1	36	1981	Avg	17	7,850	0	\$86
4	13463 Fort.Road	68,979	1	42	1988	Avg	17	21,512	0	\$89
5	18004-116 Ave	79,294	1	37	1982	Avg	17	2,820	0	\$81
<b>15253-121A</b>										
Sub	Ave	<b>65,710</b>	<b>1</b>	<b>41</b>	<b>1990</b>	<b>Avg</b>	<b>17</b>	<b>5,943</b>	<b>0</b>	<b>\$88</b>

[19] The Respondent indicated on its table that its equity comparable #5 required an upward adjustment and the remaining equity comparables required no adjustments. The Respondent's analysis of the Complainant's equity comparables indicated that the Complainant's comparables #1 and #2 required a downward adjustment; and #3, #6 and #7 required an upward adjustment; #4 required a rear building adjustment; and #5 had several cost buildings.

[20] The Respondent submitted several excerpts from *The Appraisal of Real Estate, 2<sup>nd</sup> Edition* and *Basics of Real Estate Appraising, 5th Edition*, in support of its arguments regarding qualitative analysis and adjustments.

[21] The Respondent also submitted an argument regarding the Complainant's small number Assessment to Sales Ratios (ASRs) and changes to the property from the sale date to the assessment date.

[22] In conclusion the Respondent requested that the 2013 assessment be confirmed.

### **Decision**

[23] It is the decision of the Board to confirm the 2013 assessment of the subject property at \$5,788,000.

### **Reasons for the Decision**

[24] The Board heard from the Complainant that its basis of adjustment relied upon approximately 1% per year in difference in age, 1% per percentage difference in site coverage and a factor for the difference in size. However, the Board finds that it can place little confidence in the quantitative adjustment method relied upon by the Complainant to determine a reasonable value for the subject property. The Complainant provided no supporting evidence in appraisal theory or practice in support of this methodology.

[25] The Board accepts the Factors Affecting Value given in the Respondent's 2013 Industrial warehouse Assessment Brief (R-1, pp. 8-10), which, in descending order of importance, are given as: total main floor area (per building), site coverage, effective age (per building), condition (per building), location of the property, main floor finished area, and upper finished area. The Board also notes that the first three factors were used by the Complainant to determine the adjustment factors applied to its sales comparables.

[26] From the Board's examination of the Complainant's sales comparables the Board finds that these sales lacked similarity to the subject property in terms of building size, site coverage and age. Therefore the Board places little weight on these sales. The Board notes the Complainant's comparable #6 was also presented by the Respondent as its comparable #4, and indicated as requiring an overall upward adjustment.

[27] In examining the Respondent's four sales the Board noted that there was also a wide variance in age, site coverage and building size, and consequently a broad range in the sale price per square foot from \$79 to \$152. Although the subject's assessed value of \$91 falls within the range the Board found it difficult to draw any firm conclusions from these sale comparables.

[28] The Board finds the five equity comparables presented by the Respondent to closely match the assessed factors of the subject property in terms of main floor area and site coverage. The age varied slightly but it was noted that the newer equity comparables were assessed higher than the subject while the older comparables were assessed lower. The assessed value of these equity comparables given as ranging from \$81 to \$92 per square foot, support the assessed value of the subject property at \$88 per square foot.


[29] Based on its consideration of the above findings, the Board concludes the subject property to be fairly and equitably assessed at \$88 per square foot.

**Dissenting Opinion**

[30] There was no dissenting opinion

Heard commencing November 26, 2013.

Dated this 18<sup>th</sup> day of December, 2013, at the City of Edmonton, Alberta.

  
Larry Loven, Presiding Officer

**Appearances:**

Tom Janzen  
for the Complainant

Amy Cheuk  
Suzanne Magdiak  
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.*