

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01948**

**Assessment Roll Number:** 1133305  
**Municipal Address:** 12801 52 STREET 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**  
**Tom Eapen, Presiding Officer**  
**Jack Jones, Board Member**  
**Robert Kallir, Board Member**

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### **Procedural Matters**

[1] Upon questioning by the Presiding Officer the parties before the Board stated that they had no objection to the Board's composition. In addition, the Board Members stated that they had no bias with respect to this file.

### **Preliminary Matters**

[2] There were no preliminary matters.

### **Background**

[3] The subject property is a 61,718 square foot, two building office / warehouse, built in 1977 and is located in the Kennedale Industrial neighbourhood. The subject property has been assessed for 2013 using the direct sales comparison approach to valuation.

### **Issue(s)**

[4] Is the 2013 assessment of the subject property at \$4,795,500 fair and equitable?

## **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 289(1) Assessments for all property in a municipality, other than linear property, must be prepared by the assessor appointed by the municipality.

(2) Each assessment must reflect

(a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and

(b) the valuation and other standards set out in the regulations for that property.

s 293(1) In preparing an assessment, the assessor must, in a fair and equitable manner,

(a) apply the valuation and other standards set out in the regulations, and

(b) follow the procedures set out in the regulations.

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.

[6] The *Matters Relating to Assessment and Taxation Regulation, Alta Reg 220/2004 (MRAT)* reads:

s 2 An assessment of property based on market value

(a) must be prepared using mass appraisal,

(b) must be an estimate of the value of the fee simple estate in the property, and

(c) must reflect typical market conditions for properties similar to that property.

s 3 Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.

### **Position of the Complainant**

[7] The Complainant presented evidence (Exhibit C-1) and argument for the Board's review and consideration.

[8] The Complainant presented four sales and equity comparables for multi building properties (Exhibit C-1, page 1) in support of a requested reduction in the 2013 assessment of the subject property from \$77.70 to \$65.00 per square foot.

[9] The Complainant stated that the best comparables to the subject property were # 2 and 4. The site coverage for these two comparable properties was 30% and 58% compared to the site coverage of the subject property at 52%. The time adjusted sale price for these comparables was \$60.80 and \$63.64 per square foot and the 2013 assessments of the same two comparables was \$42.79 and \$66.79 per square foot.

[10] The Complainant also critiqued the Respondent's sales comparables (Exhibit R-1, page 26) noting that the adjustments required to the unit values for size, site coverage and location lend further support to the requested reduction to the 2013 assessment.

[11] In summary the Complainant requested the 2013 assessment of the subject property be reduced from \$4,795,500 to \$4,011,500.

### **Position of the Respondent**

[12] The Respondent presented evidence (Exhibit R-1) and argument for the Board's review and consideration.

[13] The Respondent outlined the mass appraisal methodology for valuing properties in the industrial inventory as well as the factors affecting value (Exhibit R-1, pages 4 to 14). The Respondent indicated that the main factors affecting value in warehouse properties in descending order are: Main Floor Area, Site Coverage, Effective Age, Condition and Location.

[14] In support of the 2013 assessment of the subject property at \$77.70 per square foot the Respondent presented five sales comparables (Exhibit R-1, page 26). The site coverage of these five comparable properties ranged from 30% to 46% compared to the site coverage of the subject property at 52%. The time adjusted sales price for these comparables ranged from \$79.00 to \$115.00 per square foot.

[15] The Respondent also presented a critique of the Complainants sales comparables (Exhibit R-1, page 26) stating that two of the four sales comparables (#3 & 4) were problematic and should not be considered as valid sales for comparison purposes. (The support for this critique was provided in Exhibit R-1, pages #32 and 33).

[16] The Respondent also presented four equity comparables (Exhibit R-1, page 34) in support of the 2013 assessment of the subject property. These assessments ranged in value from \$78.00 to \$86.00 per square foot and in site coverage from 41% to 45%.

[17] In summary the Respondent requested the 2013 assessment of the subject property be confirmed at \$4,795,500.

### **Decision**

[18] The decision of the Board is to reduce the 2013 assessment of the subject property from \$4,795,500 to \$4,320,000.

### **Reasons for the Decision**

[19] After review and consideration of the evidence and argument presented by both parties the Board finds the 2013 assessment of the subject property at \$4,795,500 is not appropriate.

[20] The board did not place any weight on comparables #3 and 4 of the Complainant as one was a non arms length sale and the other was a post facto sale (Exhibit R-1, pages 32 and 33).

[21] The Board placed greatest weight on sales comparables #1 and 2 presented by the Complainant (Exhibit C-1, page 1) and #1 and 3 presented by the Respondent (Exhibit R-1, page 26) as they were similar to the subject property with respect to size and site coverage which are accepted as being the two largest factors influencing value.

[22] The average unit time adjusted sale value of the three comparable properties noted in paragraph 21 above (Complainant's sale comparable #1 was the same property as the Respondent's sale comparable #3) was \$74.50 per square foot and with an overall 5% negative adjustment to offset the variance with the subject property in area, site coverage and location results in a reduction in the assessment for the subject property of \$70.00 per square foot.

[23] The three sales comparables noted above supported a reduction in the unit valuation of the subject property from \$77.70 to \$70.00 per square foot which the Board applied to the subject building area of 61,718 square feet to derive a total revised 2013 assessment of \$4,320,000 (rounded).

[24] The Board noted that neither party presented sales or equity comparables from within the subject properties neighbourhood group citing a lack of comparable properties within the subject neighbourhood.


[25] The Board finds that the revised 2013 assessment of the subject property at \$4,320,000 is fair and equitable.

**Dissenting Opinion**

[26] There was no dissenting opinion.

Heard commencing November 8, 2013.

Dated this 2<sup>nd</sup> day of December, 2013, at the City of Edmonton, Alberta.

 for  
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Tom Eapen, Presiding Officer

**Appearances:**

Tom Janzen, Canadian Valuation Group  
for the Complainant

Scott Hyde, Assessor, City of Edmonton  
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.*