

## Edmonton Composite Assessment Review Board

**Citation: CVG v The City of Edmonton, ECARB 2012-001800**

**Assessment Roll Number:** 3127826  
**Municipal Address:** 6910 34 STREET NW  
**Assessment Year:** 2012  
**Assessment Type:** Annual New

Between:

**CVG**

Complainant

and

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

Respondent

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**DECISION OF**  
**Hatem Naboulsi, Presiding Officer**  
**George Zaharia, Board Member**  
**Howard Worrell, Board Member**

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### **Preliminary Matters**

[1] There were no preliminary matters. Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

### **Background**

[2] The subject property is a multi-tenant office/warehouse building containing a total of 65,564 square feet. It was built in 1983 and is located in the Pylypow Industrial neighbourhood of southeast Edmonton. The property is an interior lot zoned IB, 188,393 square feet (4.3 acres) in size with site coverage of 33%. It is not on a major roadway.

[3] The subject was assessed using the direct sales approach resulting in a 2012 assessment of \$6,077,500 (\$92.70 per square foot).

### **Issue(s)**

[4] Is the subject property assessed in excess of its market value when compared to sales/equity of similar properties?

### **Legislation**

[5] The Municipal Government Act reads:

***Municipal Government Act, RSA 2000, c M-26***

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 into evidence a 15-page brief identified as C-1, arguing that the current assessment of \$6,077,500 is excessive compared to sales of similar properties. In support of this position, the Complainant submitted four sales/equity comparables of similar properties. The sales occurred between February 2010 and December 2010, the properties selling for prices ranging from \$81.66 to \$102.31 per square foot. The assessments for these properties ranged from \$76.67 to \$100.64 per square foot (Exhibit C-1, page 1).

[7] The Complainant advised that the subject property is not on a major roadway whereas sales #'s 2 and 3 are located in superior locations on main roadways. The Complainant added that sale comparable # 1 is considerably larger but also somewhat newer than the subject (Exhibit C-1, page 2).

[8] Based upon his sales/equity comparables, the Complainant placed most weight on sales #'s 3 and 4, since they were considered to have the most similar physical characteristics to the subject property.

[9] In conclusion, based on a value of \$85.00 per square foot, the Complainant requested the Board to reduce the 2012 assessment of the subject property from the original \$6,077,500 to \$5,573,000.

**Position of the Respondent**

[10] The Respondent submitted into evidence a 34-page brief identified as R-1, arguing that the current assessment of \$6,077,500 is fair and equitable when compared to sales of similar properties. He also submitted a 44-page law and legislation brief.

[11] In support of this position, the Respondent submitted four sales comparables located in southeast Edmonton. The sales occurred between May 5, 2010 and January 4, 2011. The Respondent time-adjusted all the sales resulting in prices ranging from \$71.23 to \$232.16 per

square foot (Exhibit R-1, page 10). The Respondent admitted that sales comparable at \$232.16 per square foot was not as good a comparable.

[12] The Respondent submitted six equity comparables of similar properties all located in the southeast Edmonton. These comparables ranged in assessed value from \$77.91 to \$102.91 per square foot, with the assessment of the subject property at \$92.69 per square foot, falling within this range (Exhibit R-1, page 15).

[13] The Respondent stated that the Complainant's sales/equity comparable # 3 should not be considered since it was deemed to be in fair condition while the subject and all the other comparables were deemed to be in average condition. This inferior condition was as a result of foundation and plumbing problems that were reflected in the purchase price at time of sale (Exhibit R-1, page 22 - 26).

[14] The Respondent advised the Board of factors that were found to affect value in the warehouse inventory, those being: location, lot size, age and condition of the building, size of the main floor, the amount of finished area on the main floor, as well as developed upper area (Exhibit R-1, page 31). Upper unfinished mezzanine space was not assessed.

[15] In summary, the Respondent:

- i. Asked the Board to place most weight on the Respondent's equity comparables.
- ii. Suggested that the Complainant had failed to meet onus - to prove that the assessment was incorrect.

[16] In conclusion, the Respondent requested the Board to confirm the 2012 assessment of the subject property at \$6,077,500.

### **Decision**

[17] The decision of the Board is to confirm the 2012 assessment of the subject property at \$6,077,500.

### **Reasons for the Decision**

[18] The Board was not persuaded by the Respondent's argument that the Complainant had not met onus. Although the Board did not feel the Complainant's position justified a reduction in the assessment, the Board does acknowledge that the Complainant provided four sales/equity comparables that had to be analyzed in order to arrive at its decision.

[19] The Board noted that there were issues with two of the Complainant's comparables. Sale # 1 is two and one half times larger than the subject, and has a much higher site coverage at 54% compared to subject's 33%. Sale # 3 was deemed to be in "fair" condition while the subject and all the other comparables were deemed to be in "average" condition.

[20] Even if the Complainant's comparables were to utilized in spite of the discrepancies, the average of the sales at \$88.32 per square foot and the average of the equities at \$87.92 per square foot are both at the threshold of the +/- 5% quality standard as identified in section 10 of the *Matters Relating to Assessment and Taxation Regulation*.

[21] The Board placed little weight on the Respondent's sales comparables due to discrepancies in site coverage, lot size, and the significant variation in time-adjusted sales prices that ranged from \$71.23 to \$232.16 per square foot. As well, only one of the comparables had upper finished space as does the subject.

[22] The Board placed greater weight on the Respondent's equity comparables since they were similar in age, lot size, site coverage, total building space, and with assessments ranging from \$77.91 to \$102.91 per square foot, the comparables supported the assessment of the subject property at \$92.69 per square foot. As well, five of the six equity comparables had upper finished space as does the subject.

[23] The Board was persuaded that the 2012 assessment of the subject property at \$6,077,500 was fair and equitable.

**Dissenting Opinion**

[24] There was no dissenting opinion.

Heard commencing September 17, 2012.

Dated this 1<sup>st</sup> day of October, 2012, at the City of Edmonton, Alberta.

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Hatem Naboulsi, Presiding Officer

**Appearances:**

Tom Janzen, CVG  
for the Complainant

Luis Delgado, Assessor  
for the Respondent