

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the property assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

**between:**

***859588 ALBERTA LTD, COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***F. W Wesseling, PRESIDING OFFICER***

***J. Lam, MEMBER***

***P. Charuk, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2012 Assessment Roll as follows:

**ROLL NUMBER: 100500982, 100501006, 100501022**

**LOCATION ADDRESS: 5039, 5045, 5051 13 St SE**

**FILE NUMBER: 66001, 66005 66007**

**ASSESSMENT: \$1,050,000    \$1,070,000    \$1,100,000**

This complaint was heard on 22nd day of August, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- *C. Riedel*
- *K. Armstrong*

Appeared on behalf of the Respondent:

- *R.T. Luchak*

**Board's Decision in Respect of Procedural or Jurisdictional Matters:**

[1] No specific jurisdictional or procedural matters were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint. As the 3 properties are in the same building and have the same owner, The Board concluded to conduct one hearing for the three files.

**Property Description:**

[2] The subject properties are located in the Highfield Industrial area. The industrial condo units were constructed in 2000. Below are the particulars on each unit:

[3] 5039 13 street SE - 3524 sq ft warehouse, 1284 sq ft finished, \$220/sq ft assessed value

[4] 5045 13 street SE - 2858 sq ft warehouse, 1983 sq ft finished, \$222/sq ft assessed value

[5] 5051 13 street SE - 1014 sq ft warehouse, 3794 sq ft finished, \$230/sq ft assessed value

The City of Calgary Land Use Bylaw classifies the properties with an "Industrial-General" designation.

**Issues:** The Complainant raised the following matter in Section 4 of the Assessment Complaint form: Assessment amount

Presentation of the Complainant and Respondent were limited to:

- Assessment market value is overstated in relation to comparable properties.

**Complainant's Requested Value:** The disclosure document indicate a requested assessed value of \$175 per square foot. The request was verbally revised at the hearing to \$150.49 per square foot resulting in requested values (rounded) as follows:

5039 13 street NE --\$724,000

5045 13 Street NE --\$728,000

5051 13 street NE --\$724,000

**Board's Decision in Respect of Each Matter or Issue:**

[6] **Complainant's Position:** The Complainant indicated that the industrial condominium units are very similar in terms of function, finish and area. The building that contains the units has no special features. The City has assessed the three properties at an average of \$216 per

square foot. In support of the requested assessed value the Complainant has provided information on market value, the income approach and submitted a letter of Opinion dated June 2010 valuing the properties.

[7] The Complainant submitted 14 sales comparables. These are free standing industrial properties throughout the City and were sold in last half of 2009 and the first part of 2010. Based on the sale price an average per square foot value was determined at \$122. In addition, a table was provided of industrial condo sales for SE and NE Calgary. All these sales took place in 2011. In terms of square footage these properties were similar to the subject properties. The per square footage value of the listed sales was \$172.98.

[8] The income approach provided utilized current rents and an estimated capitalization rate. This approach formed the basis for the estimate of value outlined in the Letter of Opinion prepared by Target Realty Group and dated June 24, 2010. It was noted that the letter of Opinion was prepared by a realtor and not an appraiser and was prepared to determine a market value of the properties. It determined that the properties had a value of \$1,925,000.

[9] Respondent's Position: The Respondent outlined how the assessment process works and indicated that the City, by legislation, is required to use a mass appraisal approach in determining market value. The mass appraisal approach relies on typical rates so as to treat similar properties in an equitable manner.

[10] The Respondent outlined a number of issues with the Complainant's data. In particular, the listing of comparable properties was focused in terms their location, comparability (size, tenure and finish). The City provided sales and equity comparables (R1, p-10-12), all in the central region, which showed that the market per square footage value is similar to the subject properties.

[11] Considerable concern was expressed by the income approach submitted by the Complainant. It is suggested that the evaluation outlined is for a leased fee interest in the property not a fee simple interest as is required by the Municipal Government Act.

#### **Board's Decision:**

[12] Upon reviewing the verbal and written evidence provided by the parties, the Board found that the Complainant failed to demonstrate that the assessment was in excess of market value.

#### **The Board confirms the assessment for:**

**5039 13<sup>th</sup> Street SE at \$1,050,000**

**5045 13<sup>th</sup> Street SE at \$1,070,000**

**5051 13<sup>th</sup> Street SE at \$1,100,000.**

#### **Reasons:**

- The Board found that the comparable assessment data, particularly as it focused on the same region as the subject property as supplied by the Respondent supported the assessment for the properties.
- The evidence provided by the Complainant, in particular, the income approach outlined did not include the required data to support the 8.6% capitalization rate.
- The Board found that the information and data supplied by the Complainant ignored the requirements of mass appraisal as outlined in the Municipal Government Act.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF SEPTEMBER 2012.

  
F.W. Wesseling  
Presiding Officer

**APPENDIX "A"**

**DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. R2	Respondent Disclosure

*An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.*

*Any of the following may appeal the decision of an assessment review board:*

- (a) the complainant;*
- (b) an assessed person, other than the complainant, who is affected by the decision;*
- (c) the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) the assessor for a municipality referred to in clause (c).*

*An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to*

- (a) the assessment review board, and
- (b) any other persons as the judge directs.

*For MGB Administrative Use Only*

<i>Decision No.</i>		<i>Roll No.</i>		
<u><i>Subject</i></u>	<u><i>Type</i></u>	<u><i>Issue</i></u>	<u><i>Detail</i></u>	<u><i>Issue</i></u>
CARB	Industrial condominium units	Market value as defined by sales approach	Income approach suggested	Typical vs Actual