



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:

Petwin Fairview Corp. (as represented by Linnell Taylor Assessment Strategies)
COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

Board Chair; J. Zezulka
Board Member; E. Reuther
Board Member; P. McKenna

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 2013 Assessment Roll as follows:

ROLL NUMBER: 200387538

LOCATION ADDRESS: 7705 Flint Road SE

FILE NUMBER: 70290

ASSESSMENT: \$5,450,000

This complaint was heard on 18th day of September, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *D. Sheridan*

Appeared on behalf of the Respondent:

- *L. Wong*
- *J. Tran*

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

- (1) There were no procedural or jurisdictional matters raised by either party.

Property Description:

- (2) The property consists of a 47,578 s.f. industrial warehouse, located in the Fairview industrial area of south east Calgary. The building was built in 1978. The site area is 3.52 acres. Site coverage is 31 per cent.

Issues / Appeal Objectives

- (3) The subject is currently assessed using the sales comparison approach. The current assessment calculates to \$114.62 per s.f. of building.
- (4) The single issue brought forward by the Complainant is market value, stating that the current assessment does not properly reflect the market value of the property because the building is incorrectly designated by the City.
- (5) The City currently classifies the subject as IWS, which refers to an industrial warehouse of two or less units. The Complainant contends that the subject should be classified as IWM, which, according to the City's classification system, is a warehouse of three or more units.

Complainant's Requested Value:

- (6) \$4,770,000

Board's Decision:

- (7) The assessment is confirmed at \$5,450,000

Legislative Authority, Requirements and Considerations:

(8) This Board derives its authority from section 460.1(2) of the Municipal Government Act, being Chapter M-26 of the revised statutes of Alberta.

(9) Section 2 of Alberta Regulation 220/2004, being the Matters Relating to Assessment and Taxation Regulation (MRAC), states as follows;

"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"

(10) Section 467(3) of the Municipal Government Act states;

"An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

(c) the assessments of similar property or businesses in the same municipality."

(11) For purposes of this Complaint, there are no extraneous requirements or factors that require consideration.

Position/Evidence of the Parties

(12) The Complainant states that the subject is occupied by two tenants, being Winroc Corporation, and HD Supply Canada Inc. These two tenants are verified by the subject's Assessment Request for Information (ARFI) form (C1, pages 16 & 17), that identifies two tenants in occupation of the premises.

(13) The Complainant submitted a summary of building sales, which are labelled as "Multi-tenant Industrial Property Sales" and "Single Tenant Industrial Property Sales" (C1, pages 6 to 9). The multi tenant survey contains approximately 47 properties. The weighted mean selling price per s.f. of the properties was \$111.37. The single tenant survey contains approximately 90 properties. The weighted mean selling price per s.f. is \$127.07.

(14) Based on those two surveys, the Complainant determined the difference between the two categories at 12.36 per cent. The Complainant then reasoned that there should be a corresponding 12.36 per cent adjustment to the subject's current assessment to bring it in line with the multi tenant industrial sales.

(15) However, by the City's definition, a single tenant industrial building is one that contains two or less tenants. The subject falls within that category, and the Complainant's survey shows the weighted mean selling price for those buildings to be higher than the subject's current assessment.

(16) The Respondent submitted three single tenant industrial sales (R1, page 14), that reflected time adjusted selling prices from \$125.21 to \$173.15 per s.f. The Complainant countered by stating that one of the sales, at 3809 - 7 Street SE, could not be confirmed as valid.

(17) No other comments relative to the other data was made by either party

(18) The Respondent also presented four equity comparables (R1, page 16). These reflected assessed rates per s.f. between \$109.00 and \$125.04 per s.f. For these properties, the Complainant challenged the accuracy of the assessed floor areas (C2, page 2), stating that the areas obtained from the Property Assessment Summary Report did not correspond to the

floor area shown on the Respondent's Industrial Equity Chart. However, neither party could confirm which floor areas are the correct ones.

Board's Reasons for Decision:

(18) Doubts were raised regarding the inconsistency of some of the Respondent's data. However, neither party could lead the Board to the correct floor areas. The evidence demonstrates that the assessed floor area might be incorrect. However, the evidence fails to show what floor area is correct, and without compelling evidence, the Complainant's argument fails.

(19) According to the City, and according to the Complainant's evidence, the subject contains two tenants. According to the City's classification system, the subject is therefore an IWS, which is a warehouse of two or less tenants.

(20) The Complainant's own survey of IWS properties shows the weighted mean selling price of these types of properties, at \$127.07 per s.f., to be higher than the existing assessment on the subject, at \$114.62 per s.f.. Even the multi tenant survey shows the weighted mean selling price to be within three per cent of the subject's existing assessment. With the evidence as presented, the Board finds that there is no justification for a change to the assessment of the subject..

(21) The assessment is confirmed.

DATED AT THE CITY OF CALGARY THIS 22nd DAY OF October 2013.



Jerry Zezulka

Presiding Officer

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

Decision No. CARB 70290P/2013			Roll No. 200387538	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial	Market Value	N/A	Building classification