



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:

***SUN LIFE ASSURANCE COMPANY OF CANADA (as represented by MNP LLP),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***R. Glenn, PRESIDING OFFICER
R. Kodak, BOARD MEMBER
J. Joseph, BOARD 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 2013 Assessment Roll as follows:

ROLL NUMBER: 033037904
LOCATION ADDRESS: 3419 12 St NE
FILE NUMBER: 71112
ASSESSMENT: \$9,490,000

This complaint was heard on Wednesday, the 14th day of August, 2013 at the offices of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, in Calgary, Alberta, in Boardroom 10.

Appeared on behalf of the Complainant:

- J. Langelaar, Agent

Appeared on behalf of the Respondent:

- L. Cheng, Assessor

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

[1] When asked, neither party raised any issues with regard to either Jurisdiction or, Procedure. However, the parties jointly requested that the time adjustment argument from this file #CARB 71112-2013-P, heard August 14th, 2013 in this series, be carried forward and applied to files numbered: CARB 71128, CARB 71114, and CARB 71116. The Board accepted this request.

Property Description:

[2] The subject consists of a 5.17 acre parcel improved with three multi-bay industrial "C" class warehouses, constructed in 1976 and 1977, with building areas of: 29,952, 28,110, and 16,128 SF respectively, for a total assessable area of 74,190 SF. The interior finish of each of the subjects is: 47%, 54%, and 38% respectively. The subject is located just off Deerfoot Trail and 32 Ave in the NE district of McCall Industrial.

Issues:

[3] The only issue suggested is whether the subject assessment needs adjustment.

Complainant's Requested Value:

[4] \$7,980,000

Board's Decision:

[5] The subject assessment is reduced to \$8,060,000.

Complainant's Position:

[6] The Complainant argued the multi-building adjustment co-efficient used by the Respondent for this year was not disclosed, so the Complainant relied on last year's co-efficient of 8.86% for their argument. The Complainant carried on, and initially presented a list of five comparable sales, and compared them to the two larger buildings in issue, though the subject buildings had a higher percentage interior finish than most of the comparables. The Complainant dealt with the smaller of the three subject buildings with a separate set of comparables and commentary.

[7] The Complainant noted that the subject assessment was increased by 22% from 2012 to 2013 and suggested that such an increase was not justified. The Complainant acknowledged that in their argument, they had relied on two of the Respondent's comparables, but did not rely on all of them, because of the substantial difference in site coverage between the subject and some of the Respondent's comparables as well as other factors such as a vendor take-back mortgage on one of the Respondent's comparables.

[8] The Complainant suggests that their requested value was the total market value of each individual building, without the multiple building co-efficient being added. They went on to suggest that their final request was in fact reasonable, given that it was an increase from last year's assessment. They stated that, "we have agreed with the Respondent on several comparables, but, we could not agree on all of them". They simply stated that their comparables are the closest to the subject's parameters, and therefore, they were the best comparables

[9] The Complainant completed their rebuttal argument by stating that the Respondent's graph representing the SAR (sale to assessment ratio) by month was not helpful, notwithstanding the Respondent's supportive commentary.

Respondent's Position:

[10] The Respondent presented a number of comparables (several of which were shared with the Complainant), as well as a commentary on their approach to time adjustments. Their commentary included the following:

Multiple regression analysis is the method used to determine the 2013 Industrial time adjustments. This process includes creating variables for specific time periods and including them in a multiple regression analysis along with the other variables found in the 2013 Industrial Property Assessment Range of Key Factors, Components and Variables. This insures that time is an independent variable to any other characteristic. Coefficients are determined for each time period variable analyzed and divided by the mean sale price of the properties within that specific time period to arrive at a monthly percentage time adjustment.

[11] They carried on with a generic explanation of how their multiple building coefficient should be applied, however, they did not disclose their actual coefficient figure for 2013.

Board's Decision in Detail:

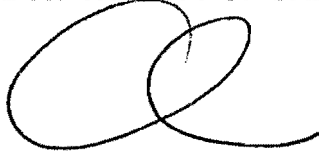
[12] The Board found the evidence of the Complainant to be more persuasive. The comparables provided at page 15 of Exhibit C-2, of the Complainant's Rebuttal Brief, which adjusted for excess land, were deemed the best comparables provided.

[13] The Board accepts the Complainant's comparable information which confirms \$115.51 as a median price per square foot for the two larger buildings, and \$132.59 as a median price per square foot for the smaller building.

[14] The Board also accepts that the multiple building coefficient to be 8.86%, pursuant to the figure for 2012, and notes the different size comparables (Ex. R-1, page 44) appear to have negative co-efficients of 6.6% and 13.5% which bracket the 8.86% applied.

[13] All told, the argument of the Complainant, based on its comparables, convinced the Board that the subject assessment was in need of correction, and accordingly, the within assessment is herewith reduced to the amount of \$8,060,000.

DATED AT THE CITY OF CALGARY THIS 1st DAY OF OCTOBER, 2013.



R. Glenn
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM8
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal Disclosure
3. R1	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.