



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: 033044108
LOCATION ADDRESS: 1435 40 Ave NE
FILE NUMBER: 71114
ASSESSMENT: \$9,570,000

This complaint was heard on Tuesday, the 15th day of August, 2013 at the offices of the Assessment Review Board located on Floor Number 3, 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 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 3.34 acre parcel improved with two multi-bay industrial "B" class warehouses, constructed in 1992 and 1998, with building areas of: 31,208 and 36,745 SF respectively, located in the NE district of McCall Industrial, just off Deerfoot Trail and 32 Ave NE. The interior finish of each of the subjects is: 55% and 38% respectively.

Issues:

[3] The only issue suggested is whether the subject assessment needs adjustment based on comparable sales.

Complainant's Requested Value:

[4] \$8,460,000

Board's Decision:

[5] The subject assessment is reduced to \$8,460,000.

Complainant's Position:

[6] The Complainant initiated their argument by suggesting that the subject assessment is an increase of 20% over last year and that such an increase was not justified. They also 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.

[7] The Complainant carried on, and presented a list of three comparable sales, and compared them to the buildings in issue. The comparables provided an average sale price of \$126/SF and median sale price of \$125/SF, whereas the subject demonstrated both an average and median assessment of \$136/SF. In argument the Complainant deleted two of the Respondent's comparables for non-comparability.

[8] The Complainant suggested that their requested value is the total market value of each individual building, with the multiple building co-efficient being applied. They suggested that their final request is in fact reasonable, given that it is 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 are 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 sales comparables (three of which they share with the Complainant), which provide a median sale price of \$150.82/SF. One of their comparables required an adjustment for extra land. They also provided 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, but surprisingly, they did not disclose their actual coefficient figure for 2013. The Respondent did not comment on the Complainant's deletion of two of their comparables for non-comparability.

Board's Decision in Detail:

[12] The Board found the evidence of the Complainant to be persuasive. The Complainant's comparables provided at page 5 of Exhibit C-2, the Complainant's Rebuttal Brief, when adjusted for excess land, were simply the best comparables provided.

[13] The Board accepted the Complainant's comparable information which confirms \$125/SF as the median price per square foot for the two subject buildings.

[14] The Board also accepted that the multiple building coefficient to be 8.86%, pursuant to the figure for 2012.

[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 assessment is herewith reduced to the amount of \$8,460,000.

DATED AT THE CITY OF CALGARY THIS 4th DAY OF OCTOBER, 2013.



R. Glenn
Presiding Officer

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

NO.	ITEMS
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.*