



## **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

***L. Yakimchuk, PRESIDING OFFICER***  
***R. Deschaine, BOARD MEMBER***  
***R. Roy, 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:** 048039317  
**LOCATION ADDRESS:** 2135 32 Av NE  
**FILE NUMBER:** 71119  
**ASSESSMENT:** \$5,620,000

This complaint was heard August 21, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- *J. Langelaar, MNP LLP*

Appeared on behalf of the Respondent:

- *M. Hartmann, City of Calgary Assessor*
- *E. Wu, City of Calgary Assessor*

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

- [1] There were no procedural or jurisdictional matters.

**Property Description:**

- [2] The subject property has been assessed as a single building, multi-tenant 47,650 square foot (sf) Industrial Warehouse built in 2000. The building was constructed on 3.18 Acres (A) of Industrial-Commercial (I-C) land with 34.45% site coverage. The property has been assessed, using Sales Comparisons, at \$118.02/sf.

**Issues:**

- [3] Is the assessment of the subject property supported by Sales?

**Complainant's Requested Value: \$4,020,000.**

**Board's Decision:**

- [4] The Board reduces the assessment to \$5,140,000.

**Legislative Authority, Requirements and Considerations:**

The Composite Assessment Review Board (CARB) derives its authority from the Municipal Government Act (MGA) RSA 2000 Section 460.1:

- (2) Subject to section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5) that is shown on an assessment notice for property other than property described in subsection (1)(a).

For the purposes of this hearing, the CARB will consider MGA Section 293(1)

In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

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.

and MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or
- (b) if the parcel is used for farming operations, agricultural use value.

### **Position of the Parties**

#### **Complainant's Position:**

[5] The Complainant, J. Langelaar, MNP LLP, argued that the City of Calgary TASP (Time Adjusted Sale Price) Analysis (R1 Appendix B) indicated that in the final period (December 2011 to June 2012) there was downward movement in the SARs (Sales to Assessment Ratios) which indicated that Sales Values were moving down. The City of Calgary has been calculating that the SARs were at 0% change in this period. In the Rebuttal document (C2 p3) MNP LLP attempted to address this issue by applying a -3.83% adjustment for the period December 1, 2011 to June 30, 2012.

[6] The Complainant argued that the subject building was overassessed and presented four proposed Comparable Industrial General (I-G) properties ranging in Approximate Year of Construction (AYOC) from 1972 to 1980. Three of the proposed comparables were single buildings and one was a multi building property. All had areas ranging from 39,600 sf to 51,200 sf and Site Coverage ranging from 40.76% to 49.41% (Subject: 34.45%). Median TASP (City of Calgary adjustment R1 p18) for these properties was \$87.16.

[7] The Complainant also presented documentation to support the validity of some of the Sales and to question the validity of Sales presented by the Respondent.

#### **Respondent's Position:**

[8] M. Hartmann, City of Calgary Assessor, analyzed the Complainant's Sales list and stated that 1826 25 Av NE was a multi-building sale, therefore different from the other comparables and the subject. The remaining three comparables proposed by the Complainant were included on the Respondent's proposed list of comparables, in addition to five others. Two

of the Respondent's proposed comparable properties were not from the NE quadrant of Calgary. One was an I-C property like the subject. The remainder were I-G.

[9] The Respondent's list included buildings that were built from 1970 to 1990 and had areas ranging from 36,167 sf to 59,573 sf with Site coverages ranging from 17.52% to 49.41%.

[10] The City of Calgary Assessment Brief included an Industrial Equity Chart which demonstrated that the median assessment for NE Industrial Warehouse properties is \$115.16/sf, with the subject property at the highest end of the assessment range at \$118.02/sf. (R1 p21)

[11] The Respondent also defended the City of Calgary TASP Analysis, stating that the graph represented a wide variation in SARs.

**Rebuttal:**

[12] In Rebuttal, (C2 p5) the Complainant presented a revised assessment request of \$4,020,000 for the property. He used the three single building sales in the Comparable Sales chart (C1 p18) plus one provided by the Respondent (700 – 33 St NE) to support his argument. He also argued that several of the Respondent's Sales Comparables were not comparable, particularly 1415 – 28 St NE which was a two parcel sale with extra land.

**Board's Reasons for Decision:**

[13] The Board considered the TASP analysis proposed by the Complainant and decided that the City of Calgary graph is intended as a visual representation of a range, not an absolute value. For this reason the Board accepted the City of Calgary TASP analysis and used the TASP values used by the Respondent.

[14] The Board considered the various Sales comparables presented in both documents. There was one I-C sale which was brought to the table by the Respondent and accepted by the Complainant, at 700 – 33 St NE. The remaining sales were not as comparable and, after removing the City of Calgary sales from other areas and the sale of the property on 1415 – 28 St NE, resulted in an assessed value lower than equitable parameters for similar properties.

[15] The Board decided that the I-C Sale was the best indicator of value presented at the hearing and applied that value to the subject property.

[16] The Board reduced the value of the subject property to \$107.89/sf.

DATED AT THE CITY OF CALGARY THIS 9 DAY OF September 2013.

  
Lana Yakimchuk

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. R1	Respondent Disclosure
3. C2	Complainant Rebuttal

*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.*

<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Warehouse	Multi Tenant	Sales Approach	Single building