



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: 200916716

LOCATION ADDRESS: 5500 22 St SE

FILE NUMBER: 71134

ASSESSMENT: \$39,320,000

This complaint was heard August 20, 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:

- *E. Wu, City of Calgary Assessor*
- *M. Hartmann, 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 two buildings: a 2005, 266,785 square foot (sf) single tenant Industrial Warehouse and a 2007 137,360 sf Industrial Warehouse constructed on 26.69 Acres (A) of land with 34.42% site coverage. The property has been assessed, using Sales Comparisons, at \$97.31/sf.

Issues:

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

Complainant's Requested Value: \$38,160,000.

Board's Decision:

- [4] The Board confirms the assessment at \$39,320,000.

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 explained that the larger building assessment was being appealed, and that the smaller building was assessed correctly. He presented a list of four proposed comparable property Sales, which ranged in size from 128,693 sf to 317,750 sf and in year of completion from 1997 to 2004. The median unadjusted Sale Price was \$82/sf.

[7] The Complainant also provided documentation to support the Sales Comparisons.

Respondent's Position:

[8] E. Wu, City of Calgary Assessor, showed that one of the Complainant's proposed comparable Sales was part of a portfolio sale and one was a non arm's length sale, which he suggested made both of the Sales unsuitable for use as Assessment comparables. A third sale (4700 – 47 St SE) was a building equipped for special use and assessed using the Cost Approach. The Respondent suggested this made it a poor comparable as well.

[9] The Respondent presented two sales of multi-building properties completed in 2008 and 2009, with site coverage slightly higher than the subject property. The parcel size of the subject

is 26.69 A and the proposed comparables were 5.06 A and 9.60 A. Both proposed comparable properties had smaller total assessable building areas than the subject. Median assessed value for the proposed comparables was \$129.40/sf.

Rebuttal:

[10] In Rebuttal, the Complainant reminded the Board of CARB decision 1790-2012-P which found that 4700-47 St SE should be assessed at the September 19, 2011 value of \$34,450,000. The Complainant argued that this made the building a suitable comparable Sale to the subject property. Subsequently he adjusted the requested value to \$25,550,000 to reflect the specific attributes of the property.

Board's Reasons for Decision:

[11] The Board considered the TASP analysis proposed by the Complainant and decided that the 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.

[12] The Board considered the multi-building analysis proposed by the Complainant and found that using multi-building Sales comparables was a more accurate way of supporting the Assessed Value.

[13] The Board reviewed the multi-building comparables presented by the Respondent and found the median value of \$129.40/sf supported the Assessed Value of \$97.31/sf for the subject property.

[14] The Board confirms the assessment at \$97.31/sf.

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

Lana Yakimchuk

Lana Yakimchuk

Presiding Officer

[15] APPENDIX "A"

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

NO.	ITEM
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.*

Appeal Type	Property Type	Property Sub-type	Issue	Sub-Issue
CARB	Warehouse	Single Tenant	Sales Approach	Multi Building