



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: 200971265

LOCATION ADDRESS: 2331 50 Av SE

FILE NUMBER: 71137

ASSESSMENT: \$13,420,000

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 a 2007 multi-building, multi-tenant Industrial Warehouse with 39,690 square feet (sf) of assessable area in one building and 65,376 sf in a second one. The buildings are constructed on 6.35 Acres (A) of land with 31% site coverage. The property has been assessed, using Sales Comparisons, at \$127.81/sf.

Issues:

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

Complainant's Requested Value: \$11,990,000.

Board's Decision:

- [4] The Board confirms the assessment at \$13,420,000.

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 -3.86 adjustment for the period December 1, 2011 to June 30, 2012.

[6] The Complainant argued that the larger building in the subject multi-building property was over-assessed at \$125.83/sf. The smaller building was accurately assessed at \$131.07.

[7] To support this argument, J. Langelaar presented a list of possible Comparable Sales of four single buildings ranging in size from 53,186 sf to 65,500 sf and another four ranging in size from 33,400 sf to 50,000 sf. (C1 p19, 20, C2 p5)

[8] The first group had median unadjusted value of \$107/sf, and an adjusted (for land size) median of \$103/sf. In Rebuttal, the Complainant also presented the median TASPs using the MNP LLP calculations (\$114.02/sf) and the City of Calgary calculations.

[9] The Complainant confirmed that the second group of Sales supported the Assessed Value of the smaller building.

[10] 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:

[11] E. Wu, City of Calgary Assessor, argued that the best support for multi-building assessments would be multi-building Sales. He presented two sales of SE Calgary multi-building I-G warehouse properties with a median TASP of \$129.40/sf. (R1 p 44)

[12] The Respondent also presented a calculation of values with site adjustments to make the comparables more similar to the subject. (R1 p45) The result was a median value of the comparable properties of \$133.75/sf.

Rebuttal:

[13] In Rebuttal, (C2 p5) the Complainant presented a revised request of \$11,995,768 for the property. He also provided supporting documents for City of Calgary proposed comparable sales.

Board's Reasons for Decision:

[14] 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.

[15] The Board considered the various Sales comparables presented in both documents. The Respondent's sales were more similar to the subject property and because they were sales of multi-building properties, similar to the subject, did not require the multi-building coefficient to be applied to the final value.

[16] The Board found that the Complainant had proposed Sales comparables that were consistently older than the subject larger building and would require adjustment for the multi-building nature of the subject, as they were all single building properties.

[17] The Board confirmed the Assessed Value at \$127.81/sf.

DATED AT THE CITY OF CALGARY THIS 6 DAY OF September 2013.



Lana Yakimchuk

Presiding Officer

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	Multi Tenant	Sales Approach	Multi building