



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:

Brightland Engineering Ltd. and Evergreen Property Management Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

H. Kim, PRESIDING OFFICER

J. Kerrison, BOARD MEMBER

P. Pask, BOARD MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of property assessments prepared by the Assessor of The City of Calgary and entered in the 2013 Assessment Roll as follows:

ROLL NUMBER: 093500502
LOCATION ADDRESS: 4826 32 St SE
FILE NUMBER: 71168
ASSESSMENT: \$615,500

ROLL NUMBER: 093500601
LOCATION ADDRESS: 4830 32 St SE
FILE NUMBER: 71171
ASSESSMENT: \$615,500

ROLL NUMBER: 093500700
LOCATION ADDRESS: 4834 32 St SE
FILE NUMBER: 71173
ASSESSMENT: \$615,500

ROLL NUMBER: 093500007
LOCATION ADDRESS: 4806 32 St SE
FILE NUMBER: 71229
ASSESSMENT: \$630,000

This complaint was heard on the 19th day of June, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- *G. Barnes*

Appeared on behalf of the Respondent:

- *E. Wu*

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

Combining files into one hearing

[1] There were three properties under complaint that had been combined into one hearing. There was an additional property in the same building that was owned by a different company but which also belonged to the Complainant, and it had been scheduled for the following week.

[2] At the request of the Complainant and with the agreement of the Respondent, the Board brought forward the fourth property under complaint and combined it with the three in the subject hearing.

Property Description:

[3] The subjects are condominium industrial bays within a single building in the Valleyfield district in the Southeast quadrant of the City. It is located on 32 St SE with exposure to and access from both 47 Ave SE and 48 Ave SE. The building was constructed in 1981 and consists of a total of four separately titled bays with office frontage accessed from the parking area on the west (32 St SE) side of the building, and loading at the rear with the access driveways shared with a separately titled parcel to the east. Three of the bays are 3175 sf, each with 2650 sf Warehouse and 525 sf Ground Finished Area, assessed at \$193.86/sf. The fourth bay is 3089 sf with 1559 sf Warehouse and 1530 sf Ground Finished Area, assessed at \$203.95/sf.

[4] The assessments are prepared using the Sales Comparable approach to market value.

Issues:

[5] The Reasons for Complaint in the Assessment Review Board Complaint form were identical for the first three properties, and stated:

I have an appraisal valuing another, very similar, unit in the building at \$545,000.00. The city assessor agreed to look at my appraisal and we have discussed the issue but ran out of time before the deadline to resolve.

[6] The fourth Complaint was for the property which the appraisal had been prepared, and it stated:

I have an appraisal valuing the property at \$545,000.00. The city assessor agreed to look at my appraisal and we have discussed the issue but ran out of time before the deadline to resolve.

Complainant's Requested Values:

ROLL NUMBER:	093500502	REQUESTED ASSESSMENT:	\$530,000
ROLL NUMBER:	093500601	REQUESTED ASSESSMENT:	\$530,000
ROLL NUMBER:	093500700	REQUESTED ASSESSMENT:	\$530,000
ROLL NUMBER:	093500007	REQUESTED ASSESSMENT:	\$545,000

Board's Decision:

[7] The assessments are confirmed at:

ROLL NUMBER:	093500502	ASSESSMENT:	\$615,500
ROLL NUMBER:	093500601	ASSESSMENT:	\$615,500
ROLL NUMBER:	093500700	ASSESSMENT:	\$615,500
ROLL NUMBER:	093500007	ASSESSMENT:	\$630,000

Position of the Parties:

Complainant's Position

[8] The Complainant presented an appraisal report dated March 20, 2012 by Atkinson Appraisal Consultants Ltd. which valued the property at a date of value of March 9, 2012 at \$545,000. The appraisal was prepared for 4806 30 Ave SE, however the Complainant argued that the bays were essentially the same and that the value should be applied to the other bays as well. 4806 30 Ave SE is a self contained unit, but the other three bays are operated together as one unit. The requested value for 4806 30 Ave SE is the appraisal value. The requested value of the other units is \$15,000 less (\$530,000) to account for them being used as one unit with one mechanical system for all three bays.

[9] The Complainant did not present other evidence in support of his requested values.

Respondent's Position

[10] The Respondent presented three sales comparables in the Foothills Industrial area, which is close to the subject area. The comparables are industrial condominium bays of 2500 to 3850 sf built in 1977 to 1979 that sold between June 2010 and April 2011 for a sale price of \$185 to \$226/sf. The sales comparables support the assessments of the subject at \$194 to \$204/sf.

[11] The Respondent stated that the appraisal considered the income approach in arriving at the final value. The assessment is not prepared on the income approach. The appraisal report stated value based on the direct sales comparison approach was \$555,000 however the

Respondent questioned the comparability of the six sales used. The first is located in the Meridian industrial area in the Northeast, a different market zone and distant from the subject. The second to fifth sales are buildings built in 2007 to 2009, much newer than the subject. The sixth comparable was one of the three used by the Respondent to support the assessment.

[12] The Respondent also presented twelve equity comparables. All were in the Foothills industrial area, however, as stated for the sales comparables, Foothills is very close to Valleyfield and is a comparable location. The equity comparables were all constructed in 1981, with 3025 to 3189 sf floor area, assessed between \$193 and \$207/sf. The Respondent stated that the sales and equity comparables support the assessments under complaint and requested they be confirmed.

Board's Reasons for Decision:

[13] The assessment was prepared based on the sales comparison approach to market value. Therefore, the Board did not give consideration to the income approach analysis in the appraisal report, and focused on the direct sales comparison approach, which yielded a slightly higher value than the final estimate of value stated in the report. On review of the six comparables, adjustments had been applied ranging from 0.81 to 1.10 and the only explanation in the appraisal report states:

Market adjustments have been applied to relate the relevant comparable sales to the subject unit based upon main floor area. All comparables have been adjusted for age, quality, location and physical characteristics.

[14] In the Board's opinion, the appraisal report was not compelling, as it did not provide sufficient detail to evaluate whether the adjustments are supportable. The only property that was very similar to the subject was valued at \$188.68 which the Board found to be within a reasonable range of the assessment. There was no other evidence to support the requested amounts, therefore the Board found insufficient evidence to vary the assessments.

DATED AT THE CITY OF CALGARY THIS 17th DAY OF July 2013.



H. Kim

Presiding Officer

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

NO.	ITEM
1. C1	Complaint Form (one for each Roll No.)
2. C2	Complainant's 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.*