



## **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:**

***Shoppers Realty Inc. Proprietes Shoppers Inc., (as represented by AEC Property Tax Solutions),***

**COMPLAINANT**

**and**

***The City Of Calgary, RESPONDENT***

**before:**

**T. B. Hudson, PRESIDING OFFICER  
A. Blake, BOARD MEMBER  
J. Rankin, 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: 049012602**

**LOCATION ADDRESS: 2255 29 ST NE**

**FILE NUMBER: 71217**

**ASSESSMENT: \$38,390,000**

This complaint was heard on 16th day of July, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- *J. Smiley*

Appeared on behalf of the Respondent:

- *M. Hartmann*
- *K. Cody*

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

There were no procedural or jurisdictional matters raised by the parties.

**Property Description:**

[1] The subject is an IWS type industrial property zoned I-G, and located at 2255 29 ST NE in Calgary. The site area is 24.02 acres, and the improvement was constructed in 2001 and includes a net rentable area of 426,791 square feet(sf.) in one building with 1% office finish. Site coverage of 40.55% is based on the building footprint of 424,255sf. The assessment was calculated based on the direct sales comparison approach to a total of \$38,390,000(rounded), or \$89.96 per square foot(psf.).

**Issues:**

Is the current assessment equitable?

**Complainant's Requested Value:** \$36,270,000(rounded) or \$85.00psf.

**Board Decision on the Assessment:** The assessment is confirmed at \$38,390,000(rounded), or \$89.96psf

**Legislative Authority, Requirements and Considerations:**

**[2] The Composite Assessment Review Board(CARB), derives its authority from Part 11 of 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).*

**[3] For purposes of the hearing, the CARB will consider MGA Section 293(1):**

*In preparing the assessment, the assessor must, in a fair and equitable, manner, apply the valuation and other standards set out in the regulations, and follow the procedures set out in the regulations.*

**[4] The Matters Relating to Assessment and Taxation Regulation(MRAT) is the regulation referred to in MGA section 293(1)(b). The CARB consideration will be guided by MRAT Part 1 Standards of Assessment, Mass appraisal section 2:**

*An assessment of property based on market value:  
must be prepared using mass appraisal,  
must be an estimate of the value of the fee simple estate in the property, and  
must reflect typical market conditions for properties similar to that property.*

**Position of the Parties on the Assessment Equity Issue:**

**Complainant's Position**

**[6]** The Complainant argued that the subject property has been assessed at very close to the same rate psf. as a similar property located at 4100 Westwinds DR NE. That property sold in 2009 for a time adjusted rate of \$90psf. However, the subject property is 40% larger so that economies of scale should see the subject property trade, and therefore be assessed, at a lower rate psf.

**[7]** The Complainant also noted that one of two buildings on a property located at 1802 118 AV NE, is similar to the subject in size, but was assessed at lower rate psf., despite being eight years newer than the subject.

**[8]** The Complainant went on to propose that the subject property be assessed at the \$85psf. rate that has been applied to the comparable property at 1802 118 AV NE. Assessment equity would be achieved, because the subject property is older and the comparable property is receiving a multi-building discount.

**Respondent's Position**

**[9]** The Respondent argued that the multi-building property at 1802 118 AV NE is not an appropriate comparable to the single building subject property. Aggregating the total building area of a multi-building property to compare to the area of a single building property, ignores the MGA Section 289(2) requirement to assess a multi-building property based on the individual characteristics of each building. The multi-building discount is then applied to recognize the fact that multiple buildings are on a single title, and must be sold together.

[10] The Respondent submitted a chart of three assessment equity comparable properties(Exhibit R1 page 18), with assessments rates ranging from a high of \$99.02psf., for a property constructed in 2011, to a low of \$88.35psf. for a property constructed in 2000.

[11] The equity comparable property constructed in 2000 is located at 4100 Westwinds DR NE. It is the same property identified by the Complainant as comparable to the subject. In addition the comparable property sold in 2009 for a time adjusted sale price of \$90psf.

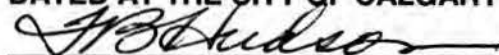
[12] The Respondent also submitted a chart of four sale comparable properties(Exhibit R1 page 17), which includes the comparable at 4100 Westwinds DR NE. Time adjusted sale prices range from a low of \$90.12psf., to a high of \$142.31psf. The Respondent acknowledged that the improvement on the Westwinds property is smaller than on the subject. However, the variable characteristics of age and site coverage(that takes into account the parcel size), make it the best comparable to the subject in evidence.

**Board Reasons for Decision:**

[13] The Board accepts the position and rationale of the Respondent, that the multi-building property at 1802 118 AV NE should not be considered as an appropriate comparable to the subject property.

[14] The assessment and sale of the property at 4100 Westwinds DR NE support the current assessed value of the subject property. In the absence of any compelling evidence to illustrate the actual influence of economies of scale, the assessment is confirmed.

DATED AT THE CITY OF CALGARY THIS 16 DAY OF August 2013.



**T. B. Hudson**

**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

*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.*

**For MGB Administrative Use Only**

<i>Decision No. 71217P-2013</i>			<i>Roll No.049012602</i>	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Warehouse I-G	IWS	Equity	Economy of scale