



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:

***Irving Wire Products Corporation (as represented by Assessment Advisory Group Inc.),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***B. Horrocks, PRESIDING OFFICER
Y. Nesry, 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:	200519544
LOCATION ADDRESS:	2729 48 AV SE
FILE NUMBER:	71817
ASSESSMENT:	\$10,380,000

This complaint was heard on the 29th day of August, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- D. Bowman (Assessment Advisory Group Inc.)

Appeared on behalf of the Respondent:

- E. Wu (City of Calgary)

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

- [1] There were no concerns with the board as constituted.
- [2] The Complainant has visited the site, while the Respondent has not.
- [3] The parties have not discussed the file.
- [4] There were no preliminary matters. The merit hearing proceeded.

Property Description:

[5] The subject property is a 7.36 acre parcel located in the Valleyfield Industrial community in SE Calgary. The parcel is improved with a 69,046 square foot (sf) Industrial Warehouse (IWS) that was constructed in 1999 and is classified as B quality. The warehouse has an Assessable Building Area of 71,742 sf, Finish of 8% and Site Coverage of 21.52%. The subject is assessed using the Sales Comparison Approach to value which yields an assessment rate of \$144.75 per sf.

Issues:

[6] An assessment amount was identified on the Assessment Review Board Complaint Form as the matters that apply to the complaint. At the outset of the hearing, the Complainant advised that there was one outstanding issue, namely: "the assessed value is incorrect".

Complainant's Requested Value: \$9,600,000 (Complaint Form)
\$8,900,000 (Hearing)

Board's Decision:

- [7] The 2013 assessment is confirmed at \$10,380,000.

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).

MGA requires that:

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) requires that:

- 2 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.
- 4(1) 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.

Board's Decision in Respect of Each Matter or Issue:

Issue: What is the market value for assessment purposes?

Complainant's Position:

[8] The Complainant's Disclosure is labelled C-1.

[9] The Complainant, at page 13, provided a table titled Sales Comparable. The table contains details of a sale that occurred July 28, 2011. The Complainant noted the Time Adjusted Sale Price (TASP) was \$104.30 per sf and the assessment yielded an assessed rate of \$111.00 per sf. The Complainant noted the subject is assessed at the rate of \$144.75. The Complainant advised that its request for an assessed rate of \$125 per sf was based on equity.

[10] The Complainant, at page 16, provided a table titled, Equity Comparable, which contains details of 4 purported equity comparables, all located in Valleyfield. The Comparables have parcel sizes that range from 2.63 to 5.00 acres, assessed areas that range from 52,364 to 82,600 sf, and site coverage that range from 31.99 to 49.24%. The assessed rates range from \$111.76 to \$140.17 per sf and the median assessed rate is \$125.65 per sf. The Complainant noted that the best comparable is located at 4800 27 ST SE and it is assessed at the rate of

\$125.91 per sf, in support of its request for an assessed rate of \$125.00 per sf.

Respondent's Position:

[11] The Respondent's Disclosure is labelled R-1.

[12] The Respondent noted that the Complainant's equity comparables had site coverages that ranged from 31.99 to 49.24%, while the subject's site coverage is 21.52%. The Respondent submitted that a higher site coverage will yield a lower assessed rate per sf, all other things being equal. The Respondent noted that the Complainant's sale comparable has a site coverage of 49.24% versus the subject's site coverage of 21.52%.

[13] The Respondent, at page 19, provided a table titled, 2013 Industrial Sales Chart. The chart contains details of 4 sales comparables (including the Complainant's sale comparable). The Respondent noted the TASP ranged from 112.55 to \$156.51 per sf with a median TASP of \$148.27 per sf, while the subject is assessed at the rate of \$144.75 per sf, in the range. The Respondent advised that, if the Complainant's comparable was disregarded, the median of the remaining 3 sales comparables would be \$152.00 per sf. The Respondent further noted that its sales comparables had similar site coverage when compared to the subject.

[14] The Respondent, at page 22, provided a table titled, 2013 Industrial Equity Chart, which contains details of 4 comparable properties. The assessable building areas of the comparables bracketed the subject, and the site coverages range from 18.40 to 25.26%, while the subject has site coverage of 21.52%. The Respondent noted that the assessed rates range from \$136.64 to \$151.10 per sf, with a median of \$148.82 per sf, while the subject is assessed at the rate of \$144.75, in the range.

Board's Decision With Reasons:

[15] The Board finds the Respondent's sales comparables are superior to the one sale comparable from the Complainant. They have less assessable building area, they are slightly newer but they have similar site coverage to the subject.

[16] The Board finds the Respondent's equity comparables superior to the Complainant's equity comparables. They have land areas, assessable building areas and site coverages that bracket the subject. In addition, they are all relatively the same quality (AYOC) and 3 of 4 are in the same industrial community as the subject.

[17] The market value for assessment purposes is confirmed at \$10,380,000. (\$144.75 per sf)

DATED AT THE CITY OF CALGARY THIS 20th DAY OF September 2013.

B. Horrocks

Presiding Officer

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

NO.	ITEM
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 Administrative Use Only

Property Type	Property Sub-Type	Issue	Sub-Issue
Warehouse	Multi tenant	Sales approach	Market value