



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:

***J.K. May Investments Limited (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:	031012008
LOCATION ADDRESS:	3515 29 ST NE
FILE NUMBER:	71865
ASSESSMENT:	\$2,510,000

This complaint was heard on the 28th 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:

- K. Cody (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 1.06 acre parcel located in the Horizon Industrial community in NE Calgary. The parcel is improved with a 15,446 square foot (sf) industrial warehouse (IWS) that was constructed in 1981 and is classified as C+ quality. The warehouse has an Assessable Building Area of 15,446 sf, Finish of 11% and Site Coverage of 33.41%. The subject is assessed using the Sales Comparison Approach to value which yields an assessment rate of \$162.92 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: \$2,250,000 (Complaint Form)
\$2,000,000 (Hearing)

Board's Decision:

- [7] The 2013 assessment is confirmed at \$2,510,000.

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 19, provided a table titled, Comparable Analysis-3515 29 ST NE, which contains information on 4 sales of purported comparables with Time Adjusted Sale Price (TASP) per sf ranging from \$78.93 to \$136.98. The Complainant noted the subject is assessed at the rate of \$162.50 per sf, well above the range. The Complainant acknowledged that all of its sales comparables were inferior to the subject.

[10] The Complainant submitted that the best sales comparable is the property located at 820 26 ST NE, which sold for a TASP of \$136.98 per sf, and is assessed at the rate of \$130.60 per sf. The Complainant requested the subject be assessed at the rate of \$130.00 per sf.

Respondent's Position:

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

[12] The Respondent, in reviewing the Complainant's sales comparables, noted that they are all larger, they are all older and they all have higher site coverage, and as a result they are inferior to the subject and should be assessed at a lower rate.

[13] The Respondent, at page 15, provided a chart titled, 2013 Industrial Sales Chart, which contained information on 4 sales of comparable properties with very similar characteristics. The Respondent noted the TASP per sf ranged from \$165.31 to \$180.97, while the subject is assessed at the rate of \$162.92 per sf, below the range. The Respondent identified the best comparable as the property located at 4413 11 ST NE which is almost identical in assessed area to the subject, two years newer than the subject and with a slightly lower site coverage. The comparable sold for a TASP per sf of \$180.97.

Board's Decision With Reasons:

[14] The Board finds the Respondent's sales comparables are more comparable to the subject property than the Complainant's comparables which were acknowledged as all being inferior to the subject property. The Respondent's comparables bracket the subject in Assessable Building Area, AYOC and Site Coverage, the most heavily weighted parameters for determining market value, using the multiple regression analysis imbedded in the City model.

[15] The market value for assessment purposes is \$2,510,000.(\$162.92 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.*

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