

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:

Zodiac Sheet Metal Ltd. (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 property assessments prepared by the Assessor of The City of Calgary and entered in the 2013 Assessment Roll as follows:

Roll Number	Location Address	File Number	Assessment
201026317	2 3610 32 ST NE	71874	\$465,000
201026325	4 3610 32 ST NE	71876	\$478,000
201026341	8 3610 32 ST NE	71880	\$888,000
201026358	12 3610 32 ST NE	71886	\$427,500

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.
- [5] It was agreed between the parties that files numbered 71874, 71876, 71880 and 71886 would be heard together as they are condominiums in the same building, with one owner, and the evidence and argument is the same for all of them.

Property Description:

- [6] The subject properties are 4 Industrial Condominium units, in one building, located in the Horizon industrial community in NE Calgary. The units contain 2,328, 2,400, 4,837 and 2,122 square feet (sf) of assessable area respectively. The building was constructed in 1991 and is classified as B quality. The properties are assessed using the Sales Comparison Approach to value which yields assessment rates of \$199.74, \$199.17, \$183.58 and \$201.46 per sf.

Issues:

- [7] An assessment amount and an assessment sub-class were 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: \$175.00 per sf (Complaint Form)
\$168.00 per sf (Hearing)

Board's Decision:

[8] The 2013 assessments are confirmed as follows:

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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:

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

[10] The Complainant, at page 28, provided a table titled, Zodiac Sheet Metal Industrial Condo Comparables Analysis, noting that there are 4 sales comparables with Time Adjusted Sale Prices (TASP) per sf ranging from \$102 to \$214 with a median of \$148. The Complainant advised that it could not confirm the sale prices for the comparables, so its only issue is equity. The Complainant noted the assessments per sf, for the sales comparables, ranged from \$163.14 to \$172.90, with a median of \$168.60 per sf. The Complainant requested an assessed rate of \$168.00 per sf for all of the units.

[11] The Complainant noted its best comparable is 115 2719 7 AV NE. It is similar in size and 18 years newer than the subjects and it is assessed at the rate of \$165.62 per sf, in support of its request for an assessed rate of \$168.00 per sf.

Respondent's Position:

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

[13] The Respondent, at pages 14 and 15, provided the 2013 Industrial Condo Assessment Explanation Supplements for Unit 4 and Unit 6 noting they are identical in all respects. Unit 4 is one of the subject properties under complaint, while the complaint for unit 6 has been withdrawn, as evidenced on page 19, indicating the Complainant is satisfied with the assessment.

[14] The Respondent, at page 21, provided a table titled, 2013 Industrial Condo Equity Comparables, which contains information on all of the units in the subject building. The Respondent noted that the only parameter that was different was the assessable area, and that the unit with the lowest assessable area had the highest assessed rate per sf. The Respondent advised that the table was provided to demonstrate the principle of diminishing returns. The Respondent submitted that if the subjects were all assessed at the same rate per sf, it would create an inequity within the building.

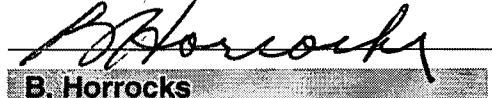
[15] The Respondent, at page 22, provided a table titled, 2013 Industrial Condo Equity Comparables, which contains information on 6 comparables from 4 other condo buildings. The units range in size from 1900 to 4210 sf and have assessed rates ranging from \$187 to \$209 per sf, while the subject units assessed rates range from \$184 to \$201 per sf. The Respondent noted that the comparable located at 2820 19 ST NE, had the largest assessable area and the lowest assessed rate per sf. The Respondent submitted that, all other things being equal, the assessable area is the primary driver of value.

[16] The Respondent, at page 24, provided a table titled, 2013 Industrial Condo Sales Comparables, which contains information on 10 condo sales, to demonstrate that the market information (TASP per sf) supports the assessed rates.

Board's Decision With Reasons:

[17] The Board finds that the Respondent's comparables and argument support the assessment. To grant the Complainant's request would create an inequity within the subject building. The Complainant's comparables were not comparable and its equity argument was flawed.

DATED AT THE CITY OF CALGARY THIS 30th 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	Condominium	Sales approach	Market value