



## **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:**

***Unique Paradigm 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 a property assessment prepared by the Assessor of The City of Calgary and entered in the 2013 Assessment Roll as follows:

|                          |                     |
|--------------------------|---------------------|
| <b>ROLL NUMBER:</b>      | <b>034015800</b>    |
| <b>LOCATION ADDRESS:</b> | <b>204 40 AV NE</b> |
| <b>FILE NUMBER:</b>      | <b>71989</b>        |
| <b>ASSESSMENT:</b>       | <b>\$1,600,000</b>  |

This complaint was heard on the 27th 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 0.46 acre parcel located in the Greenview Industrial community in NE Calgary. The parcel is improved with a 10,220 square foot (sf) warehouse (IWS) that was constructed in 1964 and is classified as C- quality. The warehouse has an Assessable Building Area of 10,220 sf, Finish of 15% and Site Coverage of 51.31%. The subject is assessed using the Sales Comparison Approach to value which yields an assessment rate of \$157.50 per sf.

**Issues:**

[6] 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 were two outstanding issues, namely: "the assessed value is not reflective of the property's market value" and "the assessed value is inequitable with comparable property assessments".

**Complainant's Requested Value:** \$1,500,000 (Complaint Form)  
\$1,370,000 (Hearing)

**Board's Decision:**

- [7] The 2013 assessment is confirmed at \$1,600,000.

**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 16, provided a table titled, Sales Analysis 204-40 AV NE. The table contains information on 3 sales of comparable properties, with Time Adjusted Sale Prices (TASP) ranging from \$1,588,245 to \$1,860,662. The Complainant used the City time adjustments which the parties agreed to. The Complainant noted the assessment to sales ratios (ASR) ranged from 115.63% to 150.67% which demonstrates that the comparables are overassessed, as they are outside the acceptable range of 0.95% to 1.05%. The assessed rate of the comparables ranged from \$118.16 to \$169.33 per sf.

[10] The Complainant requested an assessment of \$1,370,000 (\$134.00 per sf)

**Respondent's Position:**

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

[12] The Respondent, at page 16, provided a table titled, 2013 Industrial Sales Chart. The chart provides information on 3 sales of comparable properties. The TASP per sf ranged from \$135.87 to \$200.95. The Respondent noted the subject is assessed at the rate of \$157.50 per sf, in the range. The Respondent submitted that the best sale comparable is located at 312 41 AV NE and the TASP was \$182.55 per sf. The Respondent submitted its sales comparables are superior to the Complainant's comparables.

[13] The Respondent provided all of the attributes that are input into the model, advising that Assessable Building Area, AYOC, Site Coverage and Region are the most important factors. The Respondent submitted that its comparables all have slightly less Assessable Area than the subject, one comparable is older while two are newer than the subject, and the comparables Site Coverage brackets the subject. All of the comparables are in the Greenview industrial community. The Respondent noted that the Complainant did not provide any physical attributes for its comparables to assist in making comparisons.

[14] The Respondent noted that, if you calculated the ASRs for the Complainant's comparables using the TASP, the resulting ASRs would be 1.06, 1.05 and 1.39 respectively.

**Board's Decision With Reasons:**

[15] The Board finds the Complainant's comparables are not comparable to the subject. The comparable at 224 41 AV NE is 40% larger than the subject. The comparable located at 4605 12 ST NE has an I-G land use designation while the subject is I-R and the comparable located at 610 Moraine Road NE is also I-G and 30% larger than the subject.

[16] The market value for assessment purposes is \$1,600,000. (\$157.50 per sf.)

**Issue:** Is the subject assessment inequitable?

[17] There was no evidence from the Complainant to support its allegation that the subject assessment was inequitable.

DATED AT THE CITY OF CALGARY THIS 20<sup>th</sup> DAY OF September 2013.



**B. Horrocks**

**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.*

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| <b>Property Type</b> | <b>Property Sub-Type</b> | <b>Issue</b>   | <b>Sub-Issue</b> |
|----------------------|--------------------------|----------------|------------------|
| Warehouse            | Multi tenant             | Sales approach | Market value     |