



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

***Marcom Development Company Ltd., Grober, Lynn
(as represented by Altus Group Ltd.), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before

***L. Yakimchuk, PRESIDING OFFICER
R. Kodak, 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: 101013258
LOCATION ADDRESS: 5510 3 St SE
FILE NUMBER: 72079
ASSESSMENT: \$5,610,000

This complaint was heard July 24, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *D. Mewha, Altus Group*

Appeared on behalf of the Respondent:

- *J. Tran, City of Calgary Assessor*

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

- [1] Both parties agreed to carry over arguments from Appeal 72109 to the subject Appeal.

Property Description:

- [2] The subject has been assessed as an Industrial Warehouse property with two similar 16,704 square foot (sf) warehouses constructed in 1988 on 2.27 Acres (A) of land (site coverage: 33.85%). The assessable area in the warehouses is 16,704 sf and 17,030 sf. The property has been assessed using Sales Comparisons.

Issues:

- [3] Is the assessed value of this property equitable with other similar properties?

Complainant's Requested Value: \$4,140,000.

Board's Decision:

- [4] The Board reduces the assessment to \$4,970,000.

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).

For the purposes of this hearing, the CARB will consider MGA Section 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) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

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.

and MRAT Section 4(1), which states that

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.

Position of the Parties

Complainant's Position:

[5] The Complainant, D. Mewha, Altus, argued that the subject property was assessed inequitably when compared to other properties with similar total assessable area and other similar qualities.

[6] The Complainant argued that if the assessment was calculated using Mass Appraisal methods, the result should be an equitable value with comparable properties. Therefore an equity argument should stand on its own merit.

[7] The Complainant also argued that the City of Calgary assesses properties with multiple buildings by using an aggregate value of individual buildings within the property and that this calculation does not accurately provide an assessment equivalent to Market Value.

[8] The Complainant provided a list of proposed Equity comparable properties to the subject property with similar locations, site coverage, finish and assessable areas (C1 p16). The year of completion of the buildings ranged from 1973 to 2003, with a group of four which were completed 1980, 1983, 1995, 2002. D Mewha argued that these four properties bracketed the subject which was built in 1988, and were more similar to the subject than the comparables the City of Calgary used.

[9] The four properties that the Complainant said were most comparable to the subject had assessed values of \$123/sf, \$135/sf, \$160/sf and \$165/sf. All four properties were single buildings.

Respondent's Position:

[10] J. Tran, City of Calgary Assessor, argued that the Complainant had provided proposed comparable properties which were not comparable to the subject because these properties had single buildings on each lot. The subject property is a multiple building lot, with two buildings. The City of Calgary assesses multiple building properties by assessing each building separately

and adding the values. The resulting value is reduced by a factor calculated for multiple buildings.

[11] The Respondent presented an Industrial Equity chart of single multi-tenanted industrial warehouses assessed within multiple building properties to support the assessed values of the two single buildings within the subject property. The proposed comparables ranged in year of completion from 1973 to 1990, in size from 12,000 sf to 21,528 sf and in site coverage from 24.30% to 32.40%. Finish rates varied from 8% to 71% (R1 p12).

[12] The median assessment for the Respondent's four proposed comparables was \$165.95/sf.

Rebuttal:

[13] In Rebuttal, D. Mewha argued that the City of Calgary had provided comparable properties with more than one building on each site, but that in general the properties themselves were not comparable to the subject, and the buildings on the properties varied in size and other characteristics.

[14] The Complainant argued that the City of Calgary proposed comparables were similar to the subject buildings only in their sizes, but not in location, site coverage, and finish. D. Mewha suggested that the four buildings, which he had proposed as the best comparables, were also closer in age to the subject than the City of Calgary proposed comparables.

Board's Reasons for Decision:

[15] The Board considered the proposed Equity comparables presented by both the Complainant and the Respondent. The Complainant presented single building comparables with similar total assessable areas, site coverages, locations and finish percentages. The Respondent presented comparables that were single buildings from multi-building sites, with similar sizes and site coverage. The Respondent's comparables were from varying locations with varying years of completion and widely varying finish.

[16] The Board decided that the City of Calgary comparable properties were comparable in less characteristics than the ones proposed by the Complainant. The Board also decided that the best representation of the characteristics of the subject could be found in the list of four properties (C1 p16), properties completed from 1980 to 2002. These four properties have a median assessed value of \$147.50/sf.

[17] The Board reduces the 2012 assessment to a rate of \$147.50/sf.

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


Lana Yakimchuk

Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant Rebuttal

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.*

Appeal Type	Property Type	Property Sub-type	Issue	Sub-Issue
CARB	Warehouse	IWM	Sales Approach	Comparables Equity