



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

623201 Alberta Ltd.
(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: 100010057

LOCATION ADDRESS: 6325 11 St SE

FILE NUMBER: 72109

ASSESSMENT: \$7,280,000

This complaint was heard July 23, 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] There were no procedural or jurisdictional matters.

Property Description:

- [2] The subject property has been assessed as a 72,101 square foot (sf) multi-tenant warehouse built in 1977 on 3.86 Acres (A) of land. It is assessed at \$101/sf.

Issues:

- [3] Is the aggregate assessment per square foot inequitable with the assessments of other similar and competing properties?

- [4] Is the assessment of the subject property in excess of its market value? Does the aggregate assessment reflect market value for assessment purposes when using the direct sales comparison approach?

Complainant's Requested Value: \$6,550,000.

Board's Decision:

- [5] The Board confirms the assessment at 7,280,000.

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:

[6] The Complainant, D. Mewha Altus Group presented a Sales Comparison table with four sales (C1 p16). One of the sales was removed from the list because the building was very large. The remaining three buildings each had an assessable area of 65,084 sf, 80,170 sf and 92,485 sf. The median Time Adjusted Sale Price (TASP) of the remaining three properties was \$98/sf.

[7] D. Mewha provided a list of Equity comparables for Industrial Warehouses (Multi-Tenant) with similar assessable areas to the subject (C1 p 17). The proposed comparables had a median site coverage of 47%, with a range of 34% to 55%. Their years of completion were 1955 to 1978 (subject 1977). The median assessed value of the Complainant's proposed Equity comparables was \$89/sf.

[8] The Complainant also provided documentation to support the Sales Comparisons.

Respondent's Position:

[9] J. Tran, City of Calgary Assessor provided a list of five Sales Comparables ranging in year of completion from 1969 to 1999 and in size from 60,700 sf to 133,325 sf (R1 p 14). The 1999 building had a SE Calgary address, and the remainder were Central like the subject. The median TASP of the properties was \$98.33/sf.

[10] The Respondent also provided a list of five Central Calgary, multi-tenant Equity Comparables with buildings similar in assessable area to the subject building (R1 p16). Assessed rates for these properties range from \$95.08 to \$114.90/sf, with a median of \$102.23/sf.

Rebuttal:

[11] In Rebuttal, D. Mewha documented one of the City of Calgary proposed comparables, questioning the comparability of 4410 – 46 Ave SE to the subject.

Board's Reasons for Decision:

[12] The Board considered the various Sales comparables presented in both documents. The two parties both presented the same three sales of properties similar in size and slightly older than the subject. One of the properties (7130 Fisher Rd SE) was C-COR zoned while the other two were I-G like the subject. The two remaining properties were sold for TASP's of \$98.33/sf and \$94.64/sf, with a median of \$96.49/sf.

[13] The Complainant proposed several equity comparables, but only one of them was similar to the subject. It had an assessed value of \$90/sf. The Respondent proposed five equity comparables with a median assessed value of \$102.23/sf.

[14] The Board noted that the subject assessment was a little higher than the higher valued Sales comparable, but within the range of the Equity comparables. The Board decided that the assessed value fits within the acceptable range.

[15] The Board confirms the assessed value of \$101/sf.

DATED AT THE CITY OF CALGARY THIS 6 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