



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:

MacBain Properties Ltd.
(as represented by Altus Group Ltd.), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

J. Dawson, PRESIDING OFFICER
J. Massey, BOARD MEMBER
P. Charuk, BOARD MEMBER

This is a complaint to the Calgary Composite Assessment Review Board [CARB] 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:	200538189
LOCATION ADDRESS:	4334 110 AV SE
LEGAL DESCRIPTION:	Plan 0412421; Block 10; Lot 6
FILE NUMBER:	72182
ASSESSMENT:	\$ 2,560,000

This complaint was heard on the 2nd day of July, 2013 at the office of the Assessment Review Board [ARB] located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *D. Mewha* *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *I. McDermott* *Assessor, City of Calgary*

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

- [1] The Complainant and Respondent requested that all evidence, discussion, questions and answers heard during decision CARB 72906P-2013 be incorporated into this hearing.
- [2] There are no additional preliminary, procedural, or jurisdictional issues.

Property Description:

[3] The subject is an Industrial Warehouse – Single-tenant [IWS] building constructed in 2006 with a footprint of 11,097 square feet and 11,097 assessable square feet of which 14% is finished. Utilising 1.07 acres of land calculating a 23.86% site coverage (0.22 acres extra land) the subject is located in the Non-Residential Zone [NRZ] of DU1 – Dufferin. It has been assessed using the Direct Sales Comparison approach arriving at a value of \$231.11 per square foot.

Issues:

- [4] The single issue before the Board is the assessed value with the value per square foot being the focus of the presentations.

Complainant's Requested Value: \$ 2,200,000

Board's Decision:

- [5] The Board found the correct assessment to be \$2,380,000 derived from a value of \$215 per square foot of assessable area.

Position of the Parties

Complainant's Position:

- [6] The Complainant presented seven sales of comparable properties deriving an

unadjusted median of \$198 per square foot and a average (mean) of \$203 per square foot. Time adjustments, using the Respondent's calculations, were provided. However, the Complainant based the requested assessment on the unadjusted values (C1 p. 12):

- I. 3520 48 AV SE utilises 1.0 acre of land equating to 23% site coverage, has 10,080 square feet of assessable area and was built in 1998 with 35% finish. This property sold in January 2010 for a value of \$198 per square foot with a time adjusted value of \$218 per square foot.
- II. 5005 77 AV SE utilises 1.0 acre of land equating to 19% site coverage, has 10,295 square feet of assessable area and was built in 1997 with 36% finish. This property sold in January 2010 for a value of \$189 per square foot with a time adjusted value of \$208 per square foot.
- III. 4801 32 ST SE utilises 0.5 acres of land equating to 24% site coverage, has 5,050 square feet of assessable area and was built in 1990 with 20% finish. This property sold in May 2010 for a value of \$237 per square foot with a time adjusted value of \$268 per square foot.
- IV. 4847 35A ST SE utilises 0.6 acres of land equating to 21% site coverage, has 5,000 square feet of assessable area and was built in 1999 with 19% finish. This property sold in May 2012 for a value of \$235 per square foot. No time adjustment is applied to this sale.
- V. 11079 72 ST SE utilises 1.6 acres of land equating to 19% site coverage, has 15,511 square feet of assessable area and was built in 2008 with 36% finish. This property sold in June 2012 for a value of \$187 per square foot. No time adjustment is applied to this sale.
- VI. 10447 50 ST SE utilises 1.6 acres of land equating to 22% site coverage, has 16,850 square feet of assessable area and was built in 2010 with 20% finish. This property sold in May 2010 for a value of \$171 per square foot with a time adjusted value of \$192 per square foot.
- VII. 5745 80 AV SE utilises 1.1 acres of land equating to 27% site coverage, has 14,624 square feet of assessable area and was built in 2012 with 20% finish. This property sold in August 2012 for a value of \$205 per square foot. No time adjustment is applied to this sale.

[7] The Complainant concluded that the last three comparables are the best evidence and that \$198 per square foot is the correct assessment for the subject calculating a truncated value of \$2,200,000.

Respondent's Position:

[8] The Respondent provided nine sales, of which six are common with the Complainant. The Respondent indicated the sale at 5745 80 AV SE is considered *post facto* and should not be utilised to calculate a median and mean. The Respondent asserted that time adjustments must be done and that no equity information was supplied by the Complainant. The nine sales, when adjusted, calculate a median of \$235 and a mean of \$233, which the Respondent concludes, supports the assessment (R1 p. 19):

- I. 3520 48 AV SE utilises 1.02 acres of land equating to 22.61% site coverage, has 10,080 square feet of assessable area and was built in 1998 with 35% finish. This

property sold in January 2010 for a value of \$198 per square foot with a time adjusted value of \$217.66 per square foot.

- II. 5005 77 AV SE utilises 1.00 acre of land equating to 19.11% site coverage, has 10,114 square feet of assessable area and was built in 1997 with 36% finish. This property sold in January 2010 for a value of \$193 per square foot with a time adjusted value of \$211.50 per square foot.
- III. 4801 32 ST SE utilises 0.47 acres of land equating to 23.62% site coverage, has 5,050 square feet of assessable area and was built in 1990 with 20% finish. This property sold in May 2010 for a value of \$237 per square foot with a time adjusted value of \$268.07 per square foot.
- IV. 4847 35A ST SE utilises 0.56 acres of land equating to 20.64% site coverage, has 5,000 square feet of assessable area and was built in 1999 with 19% finish. This property sold in May 2012 for a value of \$235 per square foot. No time adjustment is applied to this sale.
- V. 11079 72 ST SE utilises 1.57 acres of land equating to 18.63% site coverage, has 15,511 square feet of assessable area and was built in 2008 with 36% finish. This property sold in June 2012 for a value of \$186.96 per square foot. No time adjustment is applied to this sale.
- VI. 10447 50 ST SE utilises 1.58 acres of land equating to 21.98% site coverage, has 16,850 square feet of assessable area and was built in 2010 with 20% finish. This property sold in May 2010 for a value of \$171 per square foot with a time adjusted value of \$191.59 per square foot.
- VII. 7491 110 AV SE utilises 2.30 acres of land equating to 15.47% site coverage, has 15,500 square feet of assessable area and was built in 2011 with 10% finish. This property sold in April 2011 for a value of \$218.38 per square foot with a time adjusted value of \$243.49 per square foot.
- VIII. 4550 35 ST SE utilises 1.31 acres of land equating to 22.87% site coverage, has 13,072 square feet of assessable area and was built in 2000 with 29% finish. This property sold in March 2012 for a value of \$244.03 per square foot. No time adjustment is applied to this sale.
- IX. 4520 34A ST SE utilises 0.56 acres of land equating to 22.81% site coverage, has 7,752 square feet of assessable area and was built in 2009 with 57% finish. This property sold in July 2010 for a value of \$267.03 per square foot with a time adjusted value of \$302.38 per square foot.

[9] The Respondent concluded that 4550 35 ST SE, 5005 77 AV SE, 3520 48 AVE SE, and 4520 34 ST SE are the best evidence and that these sales confirm the original assessment for the subject.

[10] The Respondent explained their time adjustment methodology and presented a graph of SAR over a 36 month period. When questioned, the Respondent indicated that SAR was a Sales to Assessment Ratio. The graph is presented to demonstrate that four distinct periods are defined; 1) July 2009 through May 2010 experienced 0.79% per month negative adjustment, 2) June 2010 through March 2011 experienced 0% per month adjustment, 3) April 2011 through November 2011 experienced 1.57% per month positive adjustment, and 4) December 2011 through June 2012 experienced 0% per month adjustment.

Board's Reasons for Decision:

[11] The Board, through examining the evidence and questioning the Respondent, attempted to understand the methodology employed by the Respondent to create the "2013 Industrial Time Adjustments". The Board cannot understand the significance of Sales to Assessment Ratios in determining a Time Adjustment.

[12] The Board, though unable to interpret the Time Adjustment data, accepted the time adjustments because they were used by both parties:

- I. 3520 48 AV SE utilises 1.02 acres of land, has 10,080 square feet of assessable area and was built in 1998 with 35% finish. This property sold in January 2010 for a time adjusted value of \$218 per square foot. This comparable is very close in parcel and building size. The Board found the extra finish offset the age variance. No inspection information is available to determine if condition influenced. The Board accepted this sale as comparable.
- II. 5005 77 AV SE utilises 1.00 acre of land, has 10,114 square feet of assessable area and was built in 1997 with 36% finish. This property sold in January 2010 for a time adjusted value of \$212 per square foot. This comparable is very close in parcel and building size. The Board found the extra finish offset the age variance. No inspection information is available to determine if condition influenced. The Board accepted this sale as comparable.
- III. 4801 32 ST SE utilises 0.47 acres of land, has 5,050 square feet of assessable area and was built in 1990 with 20% finish. This property sold in May 2010 for a time adjusted value of \$268 per square foot. The Board found this comparable to be too small in parcel size and building size to offer any assistance in valuing the subject.
- IV. 4847 35A ST SE utilises 0.56 acres of land, has 5,000 square feet of assessable area and was built in 1999 with 19% finish. This property sold in May 2012 for a value of \$235 per square foot. The Board found this comparable to be too small in parcel size and building size to offer any assistance in valuing the subject..
- V. 11079 72 ST SE utilises 1.57 acres of land, has 15,511 square feet of assessable area and was built in 2008 with 36% finish. This property sold in June 2012 for a value of \$186.96 per square foot. The Board found this comparable to be too large in parcel size and building size to offer any assistance in valuing the subject.
- VI. 10447 50 ST SE utilises 1.58 acres of land, has 16,850 square feet of assessable area and was built in 2010 with 20% finish. This property sold in May 2010 for a time adjusted value of \$192 per square foot. The Board found this comparable to be too large in parcel size and building size to offer any assistance in valuing the subject.
- VII. 5745 80 AV SE utilises 1.1 acres of land, has 14,624 square feet of assessable area and was built in 2012 with 20% finish. This property sold in August 2012 for a value of \$205 per square foot. The Board found this sale close in parcel size, age and finish; however, due to the *post facto* nature of the sale, utilised it for trending purposes only, indicating that the Board's decision is close.
- VIII. 7491 110 AV SE utilises 2.30 acres of land, has 15,500 square feet of assessable area and was built in 2011 with 10% finish. This property sold in April 2011 for a time adjusted value of \$243 per square foot. The Board found this comparable to

be too large in parcel size and building size to offer any assistance in valuing the subject.

- IX. 4550 35 ST SE utilises 1.31 acres of land, has 13,072 square feet of assessable area and was built in 2000 with 29% finish. This property sold in March 2012 for a value of \$244 per square foot. The Board found this comparable to be too large in parcel size and building size to offer any assistance in valuing the subject.
- X. 4520 34A ST SE utilises 0.56 acres of land, has 7,752 square feet of assessable area and was built in 2009 with 57% finish. This property sold in July 2010 for a time adjusted value of \$302 per square foot. The Board found this comparable to be too different in finish to offer any assistance in valuing the subject.

[13] The Board accepted two sales; I and II above, to arrive at a time adjusted mean and median value of \$215 per square foot. No information was provided by the Respondent to adjust for the extra land; therefore, the Board accepted that no adjustment is required. With 11,097 square feet the assessment calculates to \$2,385,855 which has been truncated to \$2,380,000

DATED AT THE CITY OF CALGARY THIS 17th DAY OF July 2013.


Jeffrey Dawson

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.*

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouse	Warehouse Single Tenant	Sales Approach	Land and Improvement Comparables