

## **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:**

***Concert Real Estate Corporation, (as represented by Altus Group),***

**COMPLAINANT**

**and**

***The City Of Calgary, RESPONDENT***

**before:**

**T. B. Hudson, PRESIDING OFFICER**

**Y. Nesry, BOARD MEMBER**

**J. Lam, 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: 009001090**

**LOCATION ADDRESS: 1145 65 AV NE**

**FILE NUMBER: 72239**

**ASSESSMENT: \$3,890,000**

This complaint was heard on the 29th day of July, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- *M. Robinson*

Appeared on behalf of the Respondent:

- *M. Hartmann*
- *L. Cheng*

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

There were no procedural or jurisdictional raised by the parties.

**Property Description:**

[1] The subject is an IWS type industrial property zoned I-G, and located at 1145 65 AV NE in Calgary. The site area is 1.38 acres, and the improvement is one building constructed in 1998. The building has a net rentable area of 27,819 square feet(sf.), with 14% office finish. Site coverage is 46.40%. The assessment was calculated based on the direct sales comparison approach to a total value of \$3,890,000(rounded), or \$140.12 per square foot (psf.).

**Issue:**

Is the current assessment in excess of market value?

**Complainant's Requested Value:** \$3,460,000(rounded), or \$125psf.

**Board Decision on the Assessment:** The assessment is confirmed at \$3,890,000(rounded).

**Legislative Authority, Requirements and Considerations:**

**[2] The Composite Assessment Review Board(CARB), derives its authority from Part 11 of 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).*

**[3] For purposes of the hearing, the CARB will consider MGA Section 293(1):**

*In preparing the assessment, the assessor must, in a fair and equitable manner, apply the valuation and other standards set out in the regulations, and follow the procedures set out in the regulations.*

**[4] The Matters Relating to Assessment and Taxation Regulation(MRAT) is the regulation referred to in MGA section 293(1)(b). The CARB consideration will be guided by MRAT Part 1 Standards of Assessment, Mass appraisal section 2:**

*An assessment of property based on market value:  
must be prepared using mass appraisal,  
must be an estimate of the value of the fee simple estate in the property, and  
must reflect typical market conditions for properties similar to that property.*

**Position of the Parties on the Market Value Issue:**

**Complainant's Position**

[5] In support of their request for a reduced assessment based on \$125psf., the Complainant submitted the sale of three IWS type industrial properties,(Exhibit C1 page 14). Net rentable areas ranged from 24,880 to 42,504sf., parcel sizes from 1.1 to 1.8 acres, and site coverage from 41 to 49%. Year of construction ranged from 1972 to 1998, and prices at the time of sale from \$88 to \$130psf.

[6] The Complainant identified the sale at 2559 29 ST NE as the best comparable to the subject at a price of \$5,300,000 or \$125psf., at the time of sale in June of 2011.

[7] The Complainant submitted a Commercial Edge report(Exhibit C2 page 4), with respect to the Respondent's comparable sale at 655 42 AV NE, which includes a note that an Affidavit of Transferee indicates an opinion of the the value at \$4,500,000(Exhibit C2 page 6).

[8] The Complainant argued that the Board should place little weight on the time adjustment factors applied by the Respondent, because the explanation of the chart in Exhibit R1 page 25, was weak at best.

[9] However, the Complainant submitted the September 2008 sale of the subject property for consideration, and used the Respondent's factors to time adjust the sale price to \$3,349,690 or \$120psf.

**Respondent's Position**

[10] The Respondent submitted a sale comparables chart (Exhibit R1 page 19), listing six IWS, and two IWM type industrial properties zoned I-G, and located in the NE industrial region. Net rentable areas ranged from 20,010 to 42,504sf., parcel sizes from 1.08 to 2.23 acres and site coverage from 31.40 to 49.43%. Year of construction ranged from 1970 to 1998, and time adjusted sale prices from \$80.18 to \$165.31psf.

[11] ] The Affidavit of Transferee with respect to the sale at 665 42 AV NE included in the rebuttal of the Complainant, clearly states that the true consideration paid by the Transferee was \$4,100,000, cash and mortgage.(Exhibit C2 page 6).

[12] The Respondent identified the sale at 3640 11A ST NE, and the sale at 655 42 AV NE with time adjusted sale prices of \$132.57 and \$151.94psf. respectively, as the best comparables to the subject.

[13] The Respondent noted that the property submitted as the best sale comparable by the Complainant is larger(i.e. 42,504 sf. vs 27,819sf.) than the subject , and yet the time adjusted sale price of \$135psf., supports the subject's assessment of \$140psf.

[14] The Respondent also submitted an assessment equity chart( Exhibit R1 page 21), of six comparable properties with assessments ranging from \$134.42 to \$185.47psf.

**Board Reasons for Decision:**

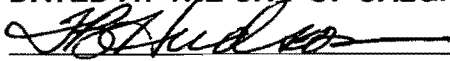
[15] The property sales evidence identified by each of the Parties as the best comparables to the subject, support the current assessment based on time adjusted sale prices.

[16] The sale of the property located at 7211 28 ST NE was submitted by both parties, but given no weight by the Board due to unresolved discrepancies in the assessment variables and the reported sale price.

[17] The Board considered the concern of the Complainant in regard to the lack of adequate explanation of the meaning of the graph in Exhibit R1 Page 25, and the time adjustment factors applied by the Respondent. However, the Board determined that the information provided above the graph, is sufficient to allow application of the factors to the sale prices of the comparables in order to adjust prices to an estimate of market value on the valuation date of July 1, 2012.

[18] The Board placed no weight on the dated(2008) sale of the subject property.

DATED AT THE CITY OF CALGARY THIS 23 DAY OF August 2013.



**T. B. Hudson**

**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. C2	Complainant Rebuttal
3. 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 MGB Administrative Use Only**

<i>Decision No. 72239P-2013</i>			<i>Roll No.009001090</i>	
<u><i>Subject</i></u>	<u><i>Type</i></u>	<u><i>Sub-Type</i></u>	<u><i>Issue</i></u>	<u><i>Sub-Issue</i></u>
CARB	Warehouse I-G	IWS	Market Value	