



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: 009001199

LOCATION ADDRESS: 1128 64 AV NE

FILE NUMBER: 72241

ASSESSMENT: \$5,110,000

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 1128 64 AV NE in Calgary. The site area is 2.07 acres, and the improvement is one building constructed in 1997. The building has a net rentable area of 37,667 square feet(sf.), with 6% office finish. Site coverage is 41.71%. The assessment was calculated based on the direct sales comparison approach to a total value of \$5,110,000(rounded), or \$135.74 per square foot (psf.).

Issue:

Is the current assessment in excess of market value?

Complainant's Requested Value: \$3,320,000(rounded), or \$88psf.

Board Decision on the Assessment: The assessment is confirmed at \$5,110,000(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 \$88psf., the Complainant submitted the sale of three IWS type industrial properties,(Exhibit C1 page 15). Net rentable areas ranged from 39,600 to 51,200sf., parcel sizes from 1.8 to 2.6 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 \$125psf. Sale prices adjusted to the July 1, 2012 valuation date, ranged from \$88 to \$135psf.

[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 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.

[8] The Complainant also argued that little weight should be given to the Respondent's sale comparables located at 1415 28 ST NE, and 5380 72 AV NE. Real Net reports(Exhibit C2 pages 4, and 7-9), indicate that the first comparable was originally constructed in 1970 and underwent major renovations prior to the sale in 2010; and the second sale was not a market transaction, but rather a direct transfer between the vendor and purchaser.

Respondent's Position

[9] The Respondent submitted a sale comparables chart (Exhibit R1 page 19), listing six sales of industrial properties zoned I-G, three located in the NE industrial region, and three in the SE. Net rentable areas ranged from 33,400 to 50,000sf., parcel sizes from 1.79 to 5.01 acres, and site coverage from 17.52 to 49.43%. Year of construction ranged from 1970 to 2004, and time adjusted sale prices from \$134.77 to \$187.69psf.

[10] The Respondent agreed with the Complainant that the sale at 2559 29 ST NE is the best comparable property to the subject, but the time adjusted sale price of \$134.77psf. supports the assessment.

[11] The Respondent noted that the remaining two property sales submitted by the Complainant were of buildings constructed more than twenty years prior to the subject, and should not be considered good comparables.

[12] The Respondent also submitted an assessment equity chart(Exhibit R1 page 20), of six comparable properties with assessments ranging from \$116.87 to \$155.81psf.

Board Reasons for Decision:

[13] One of the three property sales (i.e.2559 29 ST NE), submitted by the Complainant supports the current assessment, based on the time adjusted sale price of \$135psf.

[14] The remaining two sales were of properties with buildings constructed in the 1970's compared to 1997 for the subject.

[15] 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 24, 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 sale prices to a reasonable estimate of market value on the valuation date of July 1, 2012.

[16] The Respondent property sales at 1415 28 ST NE, and 5380 72 AV SE, were excluded from the analysis based on the Real Net reports submitted by the Complainant.

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:**

NO.	ITEM
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.*

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<i>Decision No. 72241P-2013</i>			<i>Roll No.009001199</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	Comparable sales