



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:

Fairmount Warehousing Ltd.,(as represented by AEC Property Tax Solutions),

COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

**T. B. Hudson, PRESIDING OFFICER
A. Blake, 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: 112144407

LOCATION ADDRESS: 7127 Fairmount DR SE

FILE NUMBER: 72258

ASSESSMENT: \$9,370,000

This complaint was heard on the 17th day of July, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- J. Smiley

Appeared on behalf of the Respondent:

- J. Tran
- E. Wu

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

There were no procedural or jurisdictional matters raised by the parties. However, the Board raised the matter of the signatory to the Assessment Complaints Agent Authorization Form, filed by the Agent for the Complainant. The Matters Relating to Assessment Complaints Regulation (MRAC) in Part 6 General Matters specifies in Section 51:

An agent may not file a complaint or act for an assessed person or taxpayer at a hearing unless the assessed person or taxpayer has prepared and filed with the clerk or administrator an assessment complaints agent authorization form set out in Schedule 4.

The Board reviewed the filed Agent Authorization form with the agent for the Complainant, and inquired as to the relationship between the signatory person on the Form, a Mr. Saul Koschitzky, and Fairmount Warehousing Ltd., the owner of the property under complaint.

The Complainant was able to clarify that Mr. Koschitzky is the owner of Fairmount Warehousing Ltd. The clarification satisfies the requirements of MRAC, and therefore the hearing proceeded.

Property Description:

[1] The subject is an IWS type industrial property zoned I-G, and located at 7127 Fairmount DR SE in Calgary. The site area is 6.15 acres, including 1.75 acres of extra land. The improvements include two buildings constructed in 1964 and 2008. Building 1 has a net rentable area of 26,297 square feet(sf.), with 18% office finish. Building 2 has a net rentable area of 31,350sf., with 16% office finish. Site coverage is 21.50%. The assessment was calculated based on the direct sales comparison approach to an aggregate total value of \$9,370,000(rounded) or \$162.68psf. The assessed value of the individual improvements is \$141.14psf., for Building 1, and \$180.75psf. for Building 2.

Issue:

Is the current assessed amount equitable with similar properties?

Complainant's Requested Value: \$8,430,000(rounded), or \$146psf.

Board Decision on the Assessment: The assessment is confirmed at \$9,370,000(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 Assessment Equity Issue:

Complainant's Position

[5] The Complainant submitted a chart (Exhibit C1 page 10), listing the assessments of single building industrial properties for comparison to each of the two buildings on the subject parcel. The common characteristics of the comparables included location in the central region, 20-40,000sf. of net rentable area, and 20-30% site coverage. The comparables were then stratified by age: for Building 1 1980 or older, and Building 2 1990 or newer.

[6] The comparable assessments ranged from a low of \$127.01 to a high of \$137.94psf. for Building 1, and from a low of \$164.54 to a high of \$175.91psf., for Building 2.

[7] The Complainant argued that this evidence shows that the assessed values of both buildings on the subject parcel, exceed the assessments of similar properties where there is one building on the parcel. This is in spite of the evidence of the Respondent (Exhibit R1 page 7), that a multiple building adjustment has been applied in estimating the current assessed value of the subject.

[8] The Complainant suggested that there also should be some recognition in the assessment that Building 2 is located at the rear of the property and has no street frontage.

[9] The Complainant also submitted a chart (Exhibit C1 page 11), listing the sale prices of eight properties with one building and net rentable areas in the 50-60,000sf. range. The sale prices range from a high of \$157psf. to a low of \$78psf., which the Complainant argued demonstrates that the assessment of the subject at \$162.68 is also in excess of market value.

Respondent's Position

[10] The Respondent argued that if equity of the assessment is the issue, the assessment of the subject property should be compared to the assessments of properties with more than one building on the parcel similar to the subject.

[11] The Respondent submitted a chart (Exhibit R1 page 18) of such multi-building property assessments, breaking out the assessed values for each building on a parcel based on comparable variables to Building 1 and Building 2 on the subject property.

[12] The assessed values ranged from a low of \$136.32 to a high of \$157.47psf. for Building 1 comparables, and from a low of \$208.81 to a high of \$218.60psf. for Building 2 comparables.

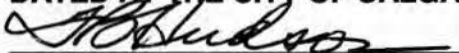
[13] The Respondent also argued that only two of the Complainant's comparable sales of properties 50-60,000sf. is located in the same Central industrial region as the subject; and that the best comparable at 1320 Highfield CR SE with a time adjusted sale price of \$156.61psf., supports the assessment of the subject.

Board Reasons for Decision:

[14] The Complainant indicated that the issue was the equity of the assessment of the subject property which features two buildings on a single parcel of land. Although the Complainant submitted a significant amount of evidence, none of the evidence came from the assessment of properties with more than one building on a single parcel of land.

[15] Although the evidence submitted by the Respondent was not without issues, the evidence compared the subject property to other similar properties, and for the most part, the assessed values generally supported the assessment of the subject.

DATED AT THE CITY OF CALGARY THIS 16 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. 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. 72258P-2013</i>			<i>Roll No.112144407</i>	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Warehouse I-G	IWS	Equity	Multi Buildings on parcel