



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: 048073902

LOCATION ADDRESS: 2305 22 ST NE

FILE NUMBER: 72272

ASSESSMENT: \$9,270,000

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 matters raised by the parties.

Property Description:

[1] The subject is an IWS type industrial property zoned I-G, and located at 2305 22ST NE in Calgary. The site area is 3.72 acres, and the improvement is one building constructed in 1998. The building has a net rentable area of 82,982 square feet(sf.), with 12% office finish. Site coverage is 51.22%. The assessment was calculated based on the direct sales comparison approach to a total value of \$9,270,000(rounded), or \$111.80 per square foot (psf.).

Issue:

Is the current assessment in excess of market value?

Complainant's Requested Value: \$8,630,000(rounded), or \$104psf.

Board Decision on the Assessment: The assessment is confirmed at \$9,270,000(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 \$104psf., the Complainant submitted the sale of three comparable IWS type industrial properties,(Exhibit C1 page 17). Net rentable areas ranged from 60,700 to 99,000sf., parcel sizes from 2.6 to 4.2 acres, and site coverage from 49 to 54%. Year of construction ranged from 1996 to 2000, and prices at the time of sale from \$84 to \$106psf.

[6] The Complainant identified the sale at 901 57 AV SE as post facto, with a sale date of October 26, 2012. The sale price of \$104psf., included net rentable area of 99,000sf.

[7] The Complainant submitted a rebuttal document(Exhibit C2), providing industry reports on four of the six comparable sales provided by the Respondent.

[8] Two of the comparable sales(i.e. 2730 39 AV NE, and 2765 48 AV NE), are included in a portfolio sale of four properties in the Hopewell Business Park, which occurred in July of 2011. The report(Exhibit C page 9), suggests there is no information provided upon which to allocate the overall sale price of \$44,750,000, to each of the properties included in that transaction.

[9] The report on the sale of 930 64 AV NE refers to the property as a "true" flex building which the Complainant suggests is a poor comparable to the subject.

[10] The report on the 2010 sale of 2200A 41 AV NE indicates the property included 5.51 acres of "extra" land when it sold previously in 2002.

[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 \$7,428,400 or \$90psf.

Respondent's Position

[10] The Respondent submitted a sale comparables chart (Exhibit R1 page 19), listing six industrial properties zoned I-G, four located in the NE industrial region, and two in the SE. Net rentable areas ranged from 60,700 to 118,402sf., parcel sizes from 2.60 to 7.17 acres and site coverage from 30.32 to 52.55%. Year of construction ranged from 1996 to 2006, and time adjusted sale prices from \$87.01 to \$222.47psf.

[11] The Respondent identified the property sale at 2765 48 AV NE with a time adjusted sale price of \$123.81 as the best comparable to the subject.

[12] The Respondent indicated that despite inclusion in the Hopewell portfolio sale, and despite the industry reports, the assessor was able to obtain sufficient information to include the sale value for both of the sales questioned by the Complainant.

[13] The Respondent noted that the property sale submitted by the Complainant at 4975 12A ST for \$87.01psf., is much smaller than the subject both in parcel size and net rentable area, although the property is also included in the list of comparable sales in Exhibit R1.

[14] The Complainant has already identified that one of the two remaining sales is post facto, and the other sale at 4410 46 AV SE at a time adjusted sale price of \$112.55psf., supports the assessment of the subject.

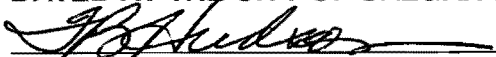
Board Reasons for Decision:

[15] The Complainant's best sale comparable at 4410 46 AV SE, supports the assessment of the subject, based on the time adjusted sale price of \$112.55psf.

[16] 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 34, 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.

[17] The Board placed no weight on the dated(i.e. 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:**

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.*

For MGB Administrative Use Only

<i>Decision No. 72272P-2013</i>			<i>Roll No.048073902</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	Sale Comparables