



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

SREIT (Nuquest Calgary) Ltd.
(as represented by Altus Group Ltd.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before

L. Yakimchuk, PRESIDING OFFICER
R. Kodak, 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: 100002609

LOCATION ADDRESS: 700 58 Av SE

FILE NUMBER: 72295

ASSESSMENT: \$7,140,000

This complaint was heard July 23, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *D. Mewha, Altus Group*

Appeared on behalf of the Respondent:

- *J. Tran, City of Calgary Assessor*

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

- [1] Both parties agreed to carry over arguments from Appeal 72109 to the subject Appeal.

Property Description:

- [2] The subject property has been assessed as a 1973, 72,704 square foot (sf) multi-tenant Industrial Warehouse on 4.03 Acres (A) of land. The assessment was calculated, using Sales comparisons, at \$98.22/sf.

Issues:

- [3] Is the assessment of the property correct and equitable?

Complainant's Requested Value: \$6,610,000.

Board's Decision:

- [4] The Board confirms the assessment at \$7,140,000.

Legislative Authority, Requirements and Considerations:

The Composite Assessment Review Board (CARB) derives its authority from 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).

For the purposes of this hearing, the CARB will consider MGA Section 293(1)

In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and

[12] The Respondent also argued that one of the Complainant's proposed equity comparables was a multi-building aggregate which would have been discounted and so had a lower value. He contended that the list of Sales comparables included a building that had a very large area and that buildings with larger areas were not comparable to buildings with smaller areas because they had lower assessments per square foot.

Rebuttal:

[13] In Rebuttal, D. Mewha pointed out that the Respondent had used the same Sales Comparables as the Complainant, with TASP's. The Complainant questioned the process for calculating TASP's.

[14] The Complainant agreed to remove the multi-building comparable on 7003 5 St SE from the Equity Comparison (C1 p23).

Board's Reasons for Decision:

[15] The Board considered the various Sales comparables presented in both documents. The comparables were the same, and both included TASP's but the Complainant chose to use the unadjusted Sales and the Respondent used the adjusted Sales.

[16] The Board reviewed the process of Time Adjustment in the Respondent's evidence and found that the explanatory graph did not clearly support the TASP adjustment, but the 2013 Industrial Improved Time Adjustments did. The Complainant did not offer an alternative method of calculation. The Board decided that a TASP is essential to update prices to the current trends and chose to use these values in making the decision.

[17] The Board removed the sale of the 121,375 sf building (303 58 Av SE) from the Sales Comparison list and found the median Sale Price (unadjusted) and the TASP were both \$98/sf, which supported the current assessment.

[18] The Board reviewed all of the equity comparables and found they supported the assessed value.

[19] For these reasons, the Board confirms the assessment at \$98/sf.

[20]

DATED AT THE CITY OF CALGARY THIS 19 DAY OF August 2013.


Lana Yakimchuk

Presiding Officer

- (b) follow the procedures set out in the regulations.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

and MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or
- (b) if the parcel is used for farming operations, agricultural use value.

Position of the Parties

Complainant's Position:

[5] The Complainant, D. Mewha, Altus Group argued that the Sales prices of comparable buildings with similar assessable areas and superior finishes supported a reduction of the assessment to \$91/sf.

[6] The Complainant presented a table of sales of Central Industrial Warehouse properties ranging in year of completion from 1969 to 1974, and in unadjusted Sale value from \$72/sf to \$109/sf. The median unadjusted Sale value was \$91/sf. The buildings ranged in size from 65,084 sf to 121,375 sf.

[7] The Complainant also included the Time Adjusted Sale Price (TASP) of the properties, which had a median value of \$96/sf. The 2013 Assessed value for the properties on the list of Sales comparables had a median value of \$92/sf.

[8] D. Mewha also presented a list of Central Industrial Warehouse, multi-tenant Equity Comparables with a median Assessed value of \$89/sf.

Respondent's Position:

[9] J. Tran, City of Calgary Assessor, supported the City of Calgary Assessment with a 2013 Industrial Warehouse multi-tenant Sales Chart that listed four properties (year of completion: 1969-1974) with a median TASP of \$96/sf. The buildings on the list ranged in size from 65,084 sf to 133,325 sf. All four properties were common to both the Respondent's and the Complainant's Sales comparables.

[10] The Respondent also presented an Industrial Equity Chart listing multi-tenant Industrial Warehouse buildings with a median Assessed value of \$101/sf.

[11] J. Tran argued that it is important to time adjust the sales prices to represent the values at the assessment dates in order to have a true comparison to the subject. The City of Calgary assessment brief explained how the values are time adjusted (R1 p23).

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant Rebuttal

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.*

Appeal Type	Property Type	Property Sub-type	Issue	Sub-Issue
CARB	Warehouse	IWM	Sales Approach	Comparables