



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

Zuricha Capital 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: 101012508
LOCATION ADDRESS: 6224 - 2 St SE
FILE NUMBER: 72299
ASSESSMENT: \$5,150,000

This complaint was heard July 24, 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*
- *T. Luchak, City of Calgary Assessor*

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

- [1] There were no procedural or jurisdictional matters.

Property Description:

- [2] The subject has been assessed as an Industrial Warehouse property with a 9,600 square foot (sf) and a 21,080 sf Industrial warehouse constructed in 1967 on 3.14492 Acres (A) of land (site coverage: 21.61%). Both buildings were constructed in 1967. The property has been assessed using Sales Comparisons, at an aggregate value of \$168.15/sf.

Issues:

- [3] Is the assessed value of this property equitable with other similar properties?

Complainant's Requested Value: \$4,260,000.

Board's Decision:

- [4] The Board reduces the assessment to \$4,260,000.

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
- (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, argued that the subject property was assessed inequitably when compared to other properties with similar total assessable area and other similar qualities. The Complainant argued that if the assessment was calculated using Mass Appraisal methods, the result should be an equitable value with comparable properties. Therefore an equity argument should stand on its own merit.

[6] The Complainant also argued that the City of Calgary assesses properties with multiple buildings by using an aggregate value of individual buildings within the property and that this calculation does not accurately provide an assessment equivalent to Market Value.

[7] The Complainant provided a list of proposed IWM properties comparable to the subject property (C1 p18). The years of construction of the buildings ranged from 1955 to 1969, site coverage 19% to 32% and current assessment \$115/sf to \$139/sf. The Complainant argued that the closest comparable to the subject was an immediate neighbour (6439 – 2 St SE) with 30,000 sf of assessable area on 3.62 A of land and an assessed value of \$139/sf.

Respondent's Position:

[8] J. Tran, City of Calgary Assessor, argued that the Complainant had provided proposed comparable properties which were not comparable to the subject because these properties had single buildings on each lot. The subject property is a multiple building lot, with two buildings. The City of Calgary assesses multiple building properties by assessing each building separately and adding the values. The resulting value is reduced by a factor calculated for multiple buildings.

[9] The Respondent presented an industrial equity chart of single multi-tenanted industrial warehouses in the two sizes of the buildings within the subject to support the assessed values.

The proposed comparables ranged in years of construction from 1955 to 1994, in size from 16,704 sf to 24,000 sf (comparable to 20,000 sf building) and 8,067 sf to 9,600 sf (comparable to 9,600 sf building). The median assessment for the Respondent's proposed comparables was \$153.58/sf and \$215.88 respectively.

Rebuttal:

In Rebuttal, D. Mewha argued that the City of Calgary had suggested comparable properties that were not comparable to the subject. The Complainant argued that the City of Calgary proposed comparables were similar to the subject buildings only in their sizes, but not in location, site coverage, and finish.

Board's Reasons for Decision:

[10] The Board considered the proposed Equity comparables presented by both the Complainant and the Respondent. The Complainant presented single building comparables with similar total assessable areas, site coverages, locations and finish percentages. The Respondent's comparables were from varying locations with varying years of construction and widely varying ages.

[11] The Board decided that the Complainant's proposed comparables were the closest in characteristics to the subject property. The neighbouring property (6439 – 2 St SE), which had most of the same eight defining characteristics that the subject did was different only in that the same assessable area was built into one building instead of two. The Board decided it would be equitable to assess the subject at the same rate as this neighbour.

[12] The Board reduces the 2013 assessment to a rate of \$139/sf.

DATED AT THE CITY OF CALGARY THIS 21 DAY OF August 2013.



Lana Yakimchuk**Presiding Officer**

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	Multi Tenant	Sales Approach	None