



**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 (West No. 1) Ltd. (as represented by Altus Group Limited), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***I. Weleschuk, PRESIDING OFFICER  
D. Steele, BOARD MEMBER  
T. Usselman, 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:

<b>ROLL NUMBER:</b>	<b>054013206</b>
<b>LOCATION ADDRESS:</b>	<b>1305 33 Street NE</b>
<b>FILE NUMBER:</b>	<b>72368</b>
<b>ASSESSMENT:</b>	<b>\$9,070,000</b>

This complaint was heard on the 7<sup>th</sup> day of August, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- *J. Weber*

Appeared on behalf of the Respondent:

- *B. Brocklebank*
- *L. Cheng*

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

- [1] The Board noted the file includes a completed copy of the Assessment Review Board Complaint form and an Assessment Complaints Agent Authorization form.
- [2] Neither party objected to the members of the Board, as introduced, hearing the evidence and making a decision regarding this assessment complaint.
- [3] No preliminary issues were raised by either party.

**Property Description:**

- [4] The subject property is an multi-tenant warehouse industrial property (IWM) located at 1305 33 Street NE, in the Franklin Industrial District of northeast Calgary. The lot is 4.69 acres in size, configured as a rectangle. The subject building was constructed in 1976, with an assessable area of 79,599 square feet (SF), resulting in a 36% site coverage. The finish ratio is 40%. The 2013 assessment is \$9,070,000, calculated by applying a rate of \$113.95/SF to the total assessable area.

**Issues:**

- [5] What is the correct assessed value?

**Complainant's Requested Value:** \$7,800,000

**Board's Decision:**

- [6] The Board reduces the 2013 Assessment to \$8,590,000.

**Legislative Authority:**

- [7] Section 4(1) of Matters Relating to Assessment and Taxation Regulation (MRAT) states that the valuation standard for a parcel of land is "market value". Section 1(1)(n) defines "market value" as the amount that a property, as defined in Section 284(1)(r) of the Act might be expected to realize if it is sold on the open market by a willing seller to a willing buyer. Section 467(3) of the Act states that an assessment review board must not alter any assessment that is fair and equitable, taking into consideration (a) the valuation and other standards set out in the regulations. The issues raised in the Complaint may refer to various aspects of the assessment or calculation of the assessed value, and may be addressed by the Board. However, the ultimate test that the Board must apply is whether the assessed value reflects the market value of the assessed property.

**ISSUE 1: Is the subject property correctly assessed?****Complainant's Position:**

- [8] The Complainant presented a summary table showing sales and assessment comparables (page 9, Exhibit C1), and identified two of these as being the "best comparables" (700 33 St NE is a 59,573 SF building constructed in 1976 with 20% finish ratio, a time adjusted sale price of \$108.00/SF and assessed value of \$105.25/SF; 3905 29 St NE is a 96,804 SF building constructed in 1981 with a 27% finish ratio, a time adjusted sale price of \$89.00/SF and assessed value of \$97.72/SF). Based on the median of these two comparables, which are both IWM properties, the Complainant concluded the market value of the subject is \$98.00/SF.
- [9] The Complainant argued that the 2013 assessment translates into a rate of \$114.00/SF (\$113.97/SF rounded), which is considerably more than the comparable data indicates, therefore the assessment is also inequitable. The median assessed rate of the two "best" sales comparables is \$101.48/SF.

**Respondent's Position:**

- [10] The Respondent presented a summary table with one comparable sales (page 46, Exhibit R1), which is one of the Complainants "best comparables", located at 700 33 St NE. The Respondent argued that when appropriate adjustments for difference in size, site coverage, and finish ratio are made to this comparable sale, it supports the assessed rate of \$113.97/SF applied to the subject property.
- [11] The Respondent presented a summary table of seven equity comparables (page 48, Exhibit R1) showing a range of assessed values between \$109.46 to \$122.80/SF. The slight differences in assessed values is a function of the specific characteristics of each property. The Respondent argued that these equity comparables support the assessed rate of \$113.97/SF.

- [12] The Board noted the sales and equity comparables presented are zoned either Industrial-General (I-G) or Industrial-Commercial (I-C), while the subject is zoned Central-Core 3 (C-COR3), and asked the Respondent if this influenced value. Both the Respondent and Complainant agreed that the uses allowed under these zoning designations are similar, therefore zoning is not a significant factor influencing price or value.


#### **Findings of the Board on this Issue**

- [13] Section 284 of the Act states that market value is the test applied to an assessment. Section 467(3) states that an assessment review board must not alter any assessment that is fair and equitable, taking into consideration valuation standards set out in regulations, procedures set out in regulations and the assessment of similar property in the same municipality.
- [14] In argument, both the Complainant and Respondent asked the Board to make various mental adjustments to the comparable sales to support the requested assessed rate or the 2013 assessed rate respectively. Neither party provided an analysis or even an indication of the quantum of the adjustments for the various property characteristics discussed. As a result, the Board places little weight on this argument.
- [15] The Board notes that the sale at 700 33 St NE is common to both parties (identified as one of the two "best comparables" by the Complainant and the only sales comparable presented by the Respondent). The Board concurs that this is the most comparable sale to the subject from those comparable sales in evidence, with an indicated market value of \$108.00/SF. The Board is not persuaded by the argument of either party regarding the adjustments. The equity comparables presented generally support this market value. Applying this rate of \$108.00/SF to the total assessable building area results in a truncated assessment value of \$8,590,000.

#### **Board's Reasons for Its Decision**

- [16] The Board considers the sales comparable located at 700 33 Street NE, which was common to both party's evidence, as the most similar to the subject property, indicating a market value of \$108.00/SF. The Board reduces the 2013 assessment to \$8,590,000.

DATED AT THE CITY OF CALGARY THIS 6 DAY OF September 2013.



Ivan Weleschuk  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
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**

<b>Subject</b>	<b>Type</b>	<b>Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Industrial warehouse	Stand-alone	Direct Sales Approach	Equity, Sales