



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:

ALIMENTS SAPUTO LIMITEE/SAPUTO FOODS LIMITED
(as represented by Altus Group Limited), COMPLAINANT

And

The City Of Calgary, RESPONDENT

Before:

M. Chilibeck, PRESIDING OFFICER
J. Massey, BOARD MEMBER
P. Pask, 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: 200838977

LOCATION ADDRESS: 4215 – 12 ST NE

FILE NUMBER: 72559

ASSESSMENT: \$4,100,000.

This complaint was heard on 23th day of September, 2013 at the office of the Assessment Review Board in Boardroom 6 on Floor Number 4, located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- *M. Robinson*

Appeared on behalf of the Respondent:

- *F. Taciune*

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

[1] Neither party raised any objections to a member of the Board hearing the subject complaint.

[2] Neither party raised any procedural or jurisdictional matters.

Preliminary Matter:

[3] There were no preliminary matters.

Property Description:

[4] The subject is a developed parcel of industrial land with 1.98 acres, designated I-G and improved with one single-tenant warehouse building. The assessed building area is 38,965 sq. ft. and constructed in 1973. The building has 13% office finish and 41.58% site coverage.

[5] The subject is located on the west side of 12 ST and north of 40 AV located in the community of McCall in the north east quadrant of the City of Calgary.

Issues:

[6] The Complainant identified several matters that apply to the complaint on the complaint form and attached a schedule listing several reasons (grounds) for the complaint. At the outset of the hearing the Complainant advised that only the matter of the assessment amount is under complaint and identified the following issue:

1) The subject assessment is in excess of its market value and the issue is:

- i) Five sale comparables with a median sale price of \$88 per sq. ft. of building area supports the claim the assessment is in excess of its market value.

Complainant's Requested Value: \$3,440,000.

Board's Decision: Change the assessment to \$3,440,000.

Legislative Authority, Requirements and Considerations:

[7] 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).

[8] 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,

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

(b) follow the procedures set out in the regulations

[9] 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

(a) must be prepared using mass appraisal

(b) must be an estimate of the value of the fee simple estate in the property

(c) must reflect typical market conditions for properties similar to that property

Assessment Background:

[10] The subject property is assessed by using the direct sales comparison method at an aggregate rate of \$105.41 per sq. ft. of assessable building area.

Complainant's Position:

[11] The Complainant provided five sale comparables which have an aggregate median sale price of \$88 per sq. ft. of building area and supports the claim that the subject is assessed in excess of its market value.

[12] The comparables have a net rentable area (NRA) range of 35,200 to 51,200 sq. ft., an actual year of construction (AYOC) range of 1972 to 1980, site coverage (SC) range of 36% to 49% and a time adjusted sale price range of \$80 to \$140 per sq. ft. of building area.

[13] In rebuttal the Complainant provided a chart listing the Respondent's nine sale comparables, of which five are common with the Complainant, showing the various factors and characteristics and argued that those comparables which are rated as quality B and higher (AYOC 1990 to 1998) and have a SC of less than 30% should be excluded. The median sale

price of the balance of the comparables is \$88.38 per sq. ft. of building area.

Respondent's Position:

[14] The Respondent provided a chart of nine sale comparables which included the Complainant's four comparables, showing the various factors and characteristics for each comparable.

[15] The nine comparables have a NRA range of 35,200 to 51,200 sq. ft., an AYOC range of 1970 to 1998, SC of 17.52% to 49.43%, time adjusted sale price range of \$80.18 to \$187.69. The average sale price of the Complainant's comparables and one of the Respondent's comparables is \$105.98 per sq. ft. of building area.

[16] The Respondent provided an assessment equity chart of seven properties that have a NRA range of 36,158 to 39,468 sq. ft., AYOC range of 1974 to 1987, SC range of 37.13 to 46.45% and assessed rate range of \$108.03 to \$116.87 per sq. ft.

Board's Reasons for Decision:

[17] The Board does not agree with the Respondent that the appraised value rather than the sale price for one comparable should be used in the analysis. The Board accepts that the sale price is a better indicator of value and the sale price was used by the Respondent in their analysis when determining the 2013 assessment, as shown in evidence by the Complainant which was obtained from the Respondent and titled *2013 Property Assessment Non-residential Industrial sales July 2010 – June 2012*.

[18] The Board finds that of the five comparables from the Complainant, one should be excluded because it was constructed in 1980 (quality C+) and it is in the upper range of time adjusted sale prices per sq. ft.

[19] The Board finds that of the four comparables from the Respondent, three should be excluded because of AYOC 1990 to 1998 (quality B) and one should be excluded because of low SC at 9.81%.

[20] The best information before the Board is the Complainant's four remaining comparables. These comparables have a NRA range of 36,167 to 51,200 sq. ft., AYOC range of 1972 to 1978, and sale price range of \$80.18 to 101.17 per sq. ft. The median of these sale prices is \$87 and the average is \$89 per sq. ft.

[21] Based on the foregoing the Board is convinced that \$88 per sq. ft. of building area is the correct market sale rate for the subject. This results in a property assessment of \$3,440,000, truncated.

DATED AT THE CITY OF CALGARY THIS 22nd DAY OF October 2013.



M. Chillbeck

Presiding Officer

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

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