

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:

J E C Enterprises Inc., (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: 055162200

LOCATION ADDRESS: 1880 Centre AV NE

FILE NUMBER: 72711

ASSESSMENT: \$9,160,000

This complaint was heard on the 30th 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*

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 1880 Centre AV NE in Calgary. The site area is 3.69 acres, and the improvement is a building constructed in 2000. The building has a net rentable area of 73,332 square feet(sf.), with 16% office finish. Site coverage is 42.02%. The assessment was calculated based on the direct sales comparison approach to a total value of \$9,160,000(rounded), or \$125.03 per square foot (psf.).

Issue:

Is the current assessment in excess of market value?

Complainant's Requested Value: \$7,590,000(rounded) or \$104psf.

Board Decision on the Assessment: The assessment is confirmed at \$9,160,000(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 four industrial properties,(Exhibit C1 page 18). Net rentable areas ranged from 51,200 to 99,000sf., office finish from 14 to 20%, parcel sizes from 2.6 to 8.7 acres, and site coverage from 22 to 47%. Year of construction ranged from 1973 to 2000, and sale prices at the time of sale from \$57 to \$104psf.

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

[7] The report on the sale of 700 33 ST NE (Exhibit C2 page 4-7) confirms the information of the Respondent that the property is IWM and has I-C zoning. It also reports a \$101psf. price versus the Respondent evidence of \$107.89psf.

[8] The report on the sale of 2200 41 AV NE (Exhibit C2 page 8), indicates the property previously sold in 2002 with 5.51 acres of extra land.

[9] The report on the sale at 2765 48 AV NE indicates that the sale price includes another property located at 2808 Hopewell PL NE with 59,500sf. of net rentable area, and that there is no information on a how much of the \$19,150,000 purchase price was paid for each property.

[10] The report on the sale at 4410 46 AV NE indicates that the sale involved a lease-back agreement between the purchaser and vendor.

Respondent's Position

[11] The Respondent submitted a sale comparables chart (Exhibit R1 page 34), listing three industrial properties zoned I-G, and one zoned I-C. Net rentable areas ranged from 59,573 to 99,202sf., parcel sizes from 2.63 to 7.17 acres and site coverage from 30.32 to 51.71%. Year of construction ranged from 1976 to 2006, and time adjusted sale prices from \$107.89 to \$222.47psf.

[12] The Respondent noted that the request of the Complainant for reduction in the assessment of the subject, appears to be based on the post facto sale price of the property at 901 57 AV NE, that sold on October 26, 2012 for \$104psf.

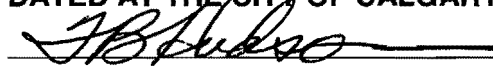
[13] The Respondent submitted evidence that the Complainant's sales at 1616 Meridian RD NE, and 1939 Centre AV SE are both manufacturing facilities that are assessed based on value of vacant land and the cost of the improvements (Exhibit R1 Pages 21-32). Neither are comparable to the subject.

[14] In addition, the Respondent pointed out that the remaining sale submitted by the Complainant at 3650 12 ST NE is smaller in net rentable area(i.e.51,200sf.), and older (i.e.1974) than the subject.

Board Reasons for Decision:

[16] The sales evidence of the Complainant did not prove that the assessment of the subject property exceeds market value. Three of the four properties sales submitted were not good comparables for the subject, and the fourth sale price used to justify the reduced assessment request was post facto to the July 1, 2012 valuation date.

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.*

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<i>Decision No. 72711P-2013</i>			<i>Roll No.055162200</i>	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Warehouse I-G	IWS	Market Value	Sale Comparables