



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:

***RGO PROPERTIES LTD. &
1360981 ALBERTA LTD.
(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: 071043905

LOCATION ADDRESS: 115 – 28 ST SE

FILE NUMBER: 72770

ASSESSMENT: \$6,040,000. Taxable

This complaint was heard on 25th 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:

- *B. Brocklebank*

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

- [1] Neither party raised any objections to any 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 2.92 acres, designated I-G and improved with one multi-tenant warehouse building constructed in 1975. The assessed building area is 64,000 sq. ft. The building has 15% office finish and the parcel has 50.37% site coverage.
- [5] The subject is located at the south east corner of Centre AV and 28 ST in the community of Meridian in the south 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) Four sale comparables with a median time adjusted sale price of \$96 per sq. ft. of building area supports the claim the assessment is in excess of its market value.

Complainant's Requested Value: \$5,160,000. Per disclosure.
\$5,500,000. Amended at hearing.

Board's Decision: Confirm the assessment at \$6,040,000.

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 \$94.46 per sq. ft. of assessable building area.

Complainant's Position:

[11] The Complainant provided four sale comparables which have an aggregate median time adjusted sale price of \$96 per sq. ft. of building area in support that the subject assessment in excess of its market value.

[12] The comparables have a net rentable area (NRA) range of 48,660 to 59,573 sq. ft., an actual year of construction (AYOC) range of 1974 to 1980, site coverage (SC) range of 34% to 45% and time adjusted sale price range of \$86 to \$108 per sq. ft. of building area. The median of the sale prices is \$96 per sq. ft. of building area.

[13] In rebuttal the Complainant provided a chart listing the Respondent's four sale comparables, two of which are common to the Complainant, showing the various factors and characteristics. The Complainant argued that those comparables which have a quality C+ (AYOC of 1980 to 1981) should be excluded from the analysis.

Respondent's Position:

[14] The Respondent provided a chart of four sale comparables, two of which are common with the Complainant, showing the various factors and characteristics for each comparable in support of the subject's assessed rate of \$94 per sq. ft.

[15] The four comparables have a NRA range of 19,129 to 96,804 sq. ft., an AYOC range of 1974 to 1981, SC of 37.69% to 43.84% and a time adjusted sale price range of \$89.14 to \$109.78 per sq. ft.

[16] The Respondent provided an assessment equity chart of six comparable properties that have a NRA range of 54,000 to 63,069 sq. ft., AYOC range of 1973 to 1978, SC range of 40.56 to 45.52% and an assessed rate range of \$99.33 to \$105.19 per sq. ft.

Board's Reasons for Decision:

[17] The Board agrees with the Complainant, that of the four comparables from the Respondent, two should be excluded because of AYOC of 1980 to 1981 (quality C+). Also, the Board finds one comparable has a significantly less building area than the subject and therefore placed very little weight on this comparable in making its decision.

[18] The Board finds that one of the Complainant's comparables has an AYOC of 1980 (quality C+) and therefore it was excluded in making its decision.

[19] The best comparables before the Board are the Complainant's remaining three comparables, of which one is common to the Respondent. These comparables have time adjusted sale rates of \$86, \$101 and \$108 per sq. ft. These rates bracket the assessed rate of the subject.

[20] Based on the foregoing the Board finds the assessed rate is correct and therefore makes no change to the assessment.

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



M. Chilibeck

Presiding Officer

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

FOR MGB ADMINISTRATIVE USE ONLY