



## **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:**

***CALGARY INDUSTRIAL PROPERTIES 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:** 033041005

**LOCATION ADDRESS:** 1139 – 40 AV NE

**FILE NUMBER:** 72794

**ASSESSMENT:** \$5,630,000. 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:

- *K. Cody*

**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 2.89 acres, designated I-G and improved with one multi-tenant warehouse building constructed in 1974 (quality C). The assessed building area is 60,849 sq. ft. The building has 24% office finish and the parcel has 45.52% site coverage.

[5] The subject is located east of 12 ST on the south side of 40 AV 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) Seven sale comparables with a median time adjusted 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:** \$4,730,000. Taxable, per disclosure .  
\$4,990,000. Taxable, amended at hearing.

**Board's Decision:** Change the assessment from \$5,630,000. to \$4,990,000. Taxable

**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,*

*apply the valuation and other standards set out in the regulations, and  
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  
must be prepared using mass appraisal  
must be an estimate of the value of the fee simple estate in the property  
must reflect typical market conditions for properties similar to that property*

**Assessment Background:**

[10] The subject property assessment is divided into two parts, one part is taxable and the other part is exempt. The total assessable building area is 60,849 sq. ft. of which 4,096 sq. ft. is exempt from taxation and 56,753 sq. ft. is subject to taxation.

[11] The subject property is assessed by using the direct sales comparison method at an aggregate rate of \$99.33 per sq. ft. of assessable building area for both parts.

**Complainant's Position:**

[12] The Complainant provided seven sale comparables which have an aggregate median time adjusted sale price of \$88 per sq. ft. of building area in support that the subject assessment in excess of its market value.

[13] The sale comparables have a net rentable area (NRA) range of 36,167 to 84,531 sq. ft., an actual year of construction (AYOC) range of 1972 to 1983, site coverage (SC) range of 34% to 49% and time adjusted sale price range of \$62 to \$108 per sq. ft. of building area. The median of the sale prices is \$88 per sq. ft. of building area.

[14] In rebuttal the Complainant provided a chart listing the Respondent's four sale comparables, one of which is common to the Complainant, showing the various factors and characteristics. The Complainant argued the one comparable which has an AYOC of 1999 (rated as quality B) and the two comparables located in the Central region should be excluded from the analysis. The Complainant asserted properties in the central region sell for a higher value than those in the subject's area of McCall.

**Respondent's Position:**

[15] The Respondent provided a chart of four sale comparables which included one common with the Complainant, showing the various factors and characteristics for each comparable in support of the subject's assessed rate of \$99 per sq. ft.

[16] The four comparables have a NRA range of 59,573 to 84,180 sq. ft., an AYOC range of 1974 to 1999, SC of 38.89% to 53.28% and a time adjusted sale price range of \$94.64 to \$161.56 per sq. ft.

[17] The Respondent provided an assessment equity chart of six properties that have a NRA range of 59,573 to 64,000 sq. ft., AYOC range of 1975 to 1978, SC range of 38.89 to 50.37% and an assessed rate range of \$94.46 to \$105.25 per sq. ft.

**Board's Reasons for Decision:**

[18] The Board finds five sale comparables from the Complainant are similar to the subject in AYOC and SC. These sales have a NRA range of 36,167 to 59,573 sq. ft., AYOC range of 1972 to 1978, SC range of 35 to 49% and time adjusted price of \$80 to \$108 per. with a median of \$88 which supports the Complainant's request.

[19] The Board agrees with the Complainant that of the four comparables from the Respondent, one should be excluded because of AYOC of 1999 (quality B) and two comparables should be excluded because they are located in the central region. Both parties agreed that properties in the central region sell for a higher price than properties in McCall. The remaining comparable is common with the Complainant.

[20] The best comparables before the Board are the Complainant's five comparables, one of which is common with the Respondent.

[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 taxable property assessment of \$4,990,000, truncated.

DATED AT THE CITY OF CALGARY THIS 25<sup>th</sup> DAY OF October 2013.



**M. Chillbeck**

**Presiding Officer**

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant's Disclosure
2. R2	Respondent's Disclosure
3. C3	Complainant's 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.*

**CARB Identifier Codes**

<b>Decision No. 72794P-2013</b>			<b>Roll No. 033041005</b>	
<b><u>Complaint Type</u></b>	<b><u>Property Type</u></b>	<b><u>Property Sub-Type</u></b>	<b><u>Issue</u></b>	<b><u>Sub-Issue</u></b>
CARB	Industrial	Single Tenant	Sales Approach	Equitable Rate

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