



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:

PAULINA HOLDINGS 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: 033035106

LOCATION ADDRESS: 4715 – 13 ST NE

FILE NUMBER: 72855

ASSESSMENT: \$3,770,000.

This complaint was heard on 24th 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:

- *G. Foty*

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 1.58 acres, designated I-G and improved with one multi-tenant warehouse building. The assessed building area is 32,406 sq. ft. and constructed in 1976. The building has 40% office finish and the parcel has 40.66% site coverage.

[5] The subject is located on the south east corner of 13 ST and 47 AV located in the McCall community 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) Three sale comparables with a time adjusted 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: \$2,670,000.

Board's Decision: Confirm the assessment at \$3,770,000.

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 \$116.33 per sq. ft. of assessable building area.

Complainant's Position:

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

[12] The comparables have a net rentable area (NRA) range of 35,200 to 39,600 sq. ft., an actual year of construction (AYOC) range of 1972 to 1980, site coverage (SC) range of 41% to 49% and time adjusted sale price range of \$80 to \$140 per sq. ft. of building area. The median of the sale prices is \$88 per sq. ft. of building area.

[13] In rebuttal the Complainant provided a chart listing the Respondent's twelve sale comparables, one of which is common with the Complainant, showing the various factors and characteristics and argued that those comparables which are rated as quality C+ and higher (AYOC range of 1980 to 1998) should be excluded from the analysis.

[14] This leaves four comparables, one of which is common to the Complainant, which have a rentable area range of 19,129 to 39,600 sq. ft., an AYOC range of 1970 to 1974, SC range of 9.81 to 42.73% however; one should be excluded because it has very low site coverage of 9.81%.

Respondent's Position:

[15] The Respondent provided a chart of twelve sale comparables, one of which is common with the Complainant, showing the various factors and characteristics for each comparable.

[16] The twelve comparables have a NRA range of 18,024 to 42,504 sq. ft., an AYOC range of 1970 to 1998, SC of 13.09% to 49.43% and time adjusted sale price range of \$88.38 to \$192.35 per sq. ft. The average sale price of the twelve comparables is \$145.57 and the median sale price of the twelve comparables is 142.24 per sq. ft. of building area.

[17] The Respondent extrapolated four comparables from the above said twelve comparables which are located in the McCall community. These comparables have a NRA range of 19,129 to 39,600 sq. ft., an AYOC range of 1972 to 1993, a SC range of 13.09 to 42.73% and a time adjusted sale price range of \$88.38 to \$192.35 per sq. ft. The average sale price for the four comparables is \$130.77 and the median is \$121.18 per sq. ft.

[18] The Respondent provided an assessment equity chart of nine properties in the McCall community that have a NRA range of 27,792 to 37,018 sq. ft., AYOC range of 1973 to 1976, SC range of 30.34 to 39.26% and assessed rate range of \$112.80 to 126.43 per sq. ft. The average assessed rate is \$118.61 per sq. ft. and the median assessed rate is \$117.63 per sq. ft. for the four comparables.

Board's Reasons for Decision:

[19] The Complainant questioned the change in the subject's NRA for the 2013 assessment. The 2012 CARB decided to change the NRA for the 2012 assessment as agreed to by both parties.

[20] The Respondent supplied in evidence the previous area calculations and a corrected calculation and explained where the error was made. As a result the Complainant agreed that the 2013 NRA is correct.

[21] The Board finds that two of the Complainant's comparables should be excluded; one because of its age (1980 (Quality C+)) and the other because of deferred maintenance as shown on the RealNet Transaction Summary. This leaves one comparable which has a time adjusted sale price of \$88 per sq. ft.

[22] The Board agrees that those sale comparables of the Respondent which are newer in age, which range from 1980 to 1993 (quality C+ and higher) and those located in the Meridian community should be excluded from the analysis as both parties agreed properties in the Meridian community sell for more per sq. ft. than those in McCall community. Also the Board agrees that one of the remaining comparables from the Respondent should be excluded because of its low site coverage of 9.81%. This leaves two comparables, one of which is common to the Complainant.

[23] The Board viewed the photos of the subject and comparable at 4826-11 St NE and believes the comparable is inferior to the subject. The Board notes the subject has two levels of office space as indicated by the windows on the upper portion of the building whereas the comparable has no upper level windows. Also, the wall height of the comparable is noticeably lower than the subject.

[24] That leaves one sale; one at \$109.78 per sq. ft. located in McCall.

[25] The Board notes on viewing the photographs provided that the subject has windows in the upper level versus the one comparable which has no windows and the photographs appear to show that the comparable is inferior to the subject.

[26] The Board finds no compelling evidence to change the subject's 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:**

1. C1	Complainant's Disclosure
2. R1	Respondent's Disclosure
3. C2	Complainant's Rebuttal

Any of the following may appeal the decision of an assessment review board:

- 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*

- ## CARB Identifier Codes

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