



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:

0692281 B.C. 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: 033039306

LOCATION ADDRESS: 1248 – 36 AV NE

FILE NUMBER: 72856

ASSESSMENT: \$3,850,000.

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:

- *K. Cody*

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 1.70 acres, designated I-G and improved with one single-tenant warehouse building constructed in 1975 (quality C). The assessed building area is 40,236 sq. ft. The building has 20% office finish and the parcel has 54.49% site coverage, which is higher than the 30% considered being typical by the Respondent.

[5] The subject is located on the north east corner of 12 ST and 36 AV situated 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) Three sale comparables with a median sale price of \$86 per sq. ft. of building area supports the allegation the assessment is in excess of its market value.

Complainant's Requested Value: \$3,240,000. Per disclosure.
\$3,460,000. Amended at hearing.

Board's Decision: Change the assessment to \$3,460,000.

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 \$95.70 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 \$86 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 36,167 to 51,200 sq. ft., an actual year of construction (AYOC) range of 1972 to 1976, site coverage (SC) range of 41% to 49% and sale price range of \$80 to \$88 per sq. ft. of building area. The median of the sale prices is \$86 per sq. ft. of building area.

[13] 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 1998 (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:

[14] 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 \$96 per sq. ft.

[15] The four comparables have a NRA range of 39,600 to 42,504 sq. ft., an AYOC range of 1965 to 1998, SC of 40.64% to 49.43% and a time adjusted sale price range of \$88.38 to \$134.77 per sq. ft.

[16] The Respondent provided an assessment equity chart of seven properties that have a NRA range of 39,600 to 46,080 sq. ft., AYOC range of 1972 to 1981, SC range of 40.76 to 54.52% and an assessed rate range of \$93.44 to \$108.86 per sq. ft.

Board's Reasons for Decision:

[17] The Board finds the three comparables from the Complainant are similar to the subject in AYOC and SC. These three sales are in the range of \$85.94 to \$89.14 per sq. ft. with a median of \$86 which supports the Complainant's request.

[18] The Board agrees with the Complainant that of the four comparables from the Respondent, one should be excluded because of AYOC of 1998 (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.

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

[20] Based on the foregoing the Board is convinced that \$86 per sq. ft. of building area is the correct market sale rate for the subject. This results in a revised property assessment of \$3,460,000, truncated.

DATED AT THE CITY OF CALGARY THIS 23rd DAY OF October 2013.



M. Chillbeck
Presiding Officer

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

NO.	ITEM
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

Decision No. 72856P-2013			Roll No. 033039306	
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Industrial	Single Tenant	Sales Approach	Equitable Rate

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