



## **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

***Dundee Industrial (Twofer) GP Inc.***  
***(as represented by Altus Group Ltd.), COMPLAINANT***

and

***The City Of Calgary, RESPONDENT***

before

***L. Yakimchuk, PRESIDING OFFICER***  
***R. Kodak, BOARD MEMBER***  
***J. Rankin, 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:** 100002807  
**LOCATION ADDRESS:** 5824 Burbank Rd SE  
**FILE NUMBER:** 72942  
**ASSESSMENT:** \$4,650,000

This complaint was heard July 22, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *D. Mewha, Altus Group*

Appeared on behalf of the Respondent:

- *J. Tran, City of Calgary Assessor*

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

[1] The Parties agreed to cross reference the subject sale in docket 72955 with the subject docket.

**Property Description:**

[2] The subject property has been assessed as a 1971 Central Calgary, multi-tenant Industrial Warehouse with 40,613 square feet (sf) of assessable area. The building is constructed on 2.38 Acres (A) of land with 38.46% site coverage. The property has been assessed, using Sales Comparisons, at \$114.53/sf.

**Issues:**

[3] Is the assessment of the subject property in excess of its market value?

**Complainant's Requested Value: \$3,890,000.**

**Board's Decision:**

[4] The Board confirms the assessment at \$4,650,000.

**Legislative Authority, Requirements and Considerations:**

The Composite Assessment Review Board (CARB) derives its authority from 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).

For the purposes of this hearing, the CARB will consider MGA Section 293(1)

In preparing an 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.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

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, and
- (c) must reflect typical market conditions for properties similar to that property.

and MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or
- (b) if the parcel is used for farming operations, agricultural use value.

### **Position of the Parties**

#### **Complainant's Position:**

[5] The Complainant, D. Mewha, Altus Group presented a list of three single-tenant and one multi-tenant warehouse Sales Comparables. The Approximate Year of Construction for these buildings was 1971 to 1975, and the building area was 39,193 sf to 65,084 sf. The median Time Adjusted Sale Price (TASP) was \$98/sf.

[6] The median assessment for all four properties on the list was \$110/sf, with an average Assessment to Sales Ratio (ASR) of 1.17.

[7] The Complainant also provided supporting documentation for the Sales Comparables.

#### **Respondent's Position:**

[8] J. Tran, City of Calgary Assessor, provided an Industrial Sales Chart which included two of the same comparable properties as the Complainant's list, as well as two other properties. The median TASP of these properties was \$115.71/sf.

[9] The Respondent also provided a list of 2013 Equity Comparables with a median Assessment rate of \$113.49/sf. J. Tran argued that the Assessed value must be within a range of values, and the subject assessment fits into this range.

#### **Rebuttal:**

[10] In Rebuttal, D. Mewha documented the City of Calgary proposed comparables, questioning the validity of some of the values and the comparability of one of these properties to the subject due to different zoning.

**Board's Reasons for Decision:**

[11] The Board considered the various Sales comparables presented in both documents. The Complainant presented four Sales comparables, of which one was considerably larger than the subject and would have been affected by economy of scale. Two were very similar in size and land area to the subject and had TASP's of \$106/sf and \$98/sf each.

[12] The Respondent presented four sales, of which the most comparable had a TASP of \$106.21/sf.

[13] The Board reviewed the Equity Comparables presented by the Complainant for the Sale Comparison properties. The Board noted that the Complainant had calculated the ASRs using actual rather than time adjusted sales, and that using the TASP's, the ASRs were 1.23, 1.08, 98.8 and 1.17, with an average ASR of 1.12. While only one of these was within the range of 0.95 to 1.05, the assessments were fairly consistently at or above the TASP.

[14] The Respondent's Equity comparables showed very similar properties which consistently supported the subject assessment with a median value of \$113.49/sf.

[15] The Board decided that the Sales Comparables support a value much higher than the requested \$96/sf the Complainant asked for, and the Equity Comparables provided by the Respondent support the current assessment.

[16] The Board confirms the assessment at \$114.53/sf.

DATED AT THE CITY OF CALGARY THIS 19 DAY OF August 2013.



**Lana Yakimchuk**

**Presiding Officer**

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant 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.*

<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Warehouse	IWM	Sales Approach	Comparables