



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

1504036 Alberta Ltd.
(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: 100013101

LOCATION ADDRESS: 6204 6A St SE

FILE NUMBER: 72955

ASSESSMENT: \$5,130,000

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 that Rebuttal evidence on C2 p 4 to 6 referred to a property on R1 p15, although the addresses came from different sides of the property.

Property Description:

[2] The subject has been assessed as a 39,193 square foot (sf) single tenant Industrial Warehouse property built in 1972 on 2.91 Acres (A) of land. It has been assessed at \$131/sf using the Sales Comparison Approach.

Issues:

[3] Is the assessed value of this property reflective of Market Value?

[4] Is the assessed value of this property equitable when compared to other similar properties?

Complainant's Requested Value: \$3,825,000.

Board's Decision:

[5] The Board reduces the assessment to \$4,150,000.

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:

[6] The Complainant, D. Mewha, Altus, argued that the subject property assessment was not reflective of Market Value of the property. He presented a list of three sales, including the sale of the subject in 2009 for \$98/sf, to support his argument.

[7] The three sales in the Complainant's evidence ranged in assessable area from 39,193 sf (subject) to 52,060 sf. The Time Adjusted Sales Prices (TASPs) ranged from \$89/sf to \$106/sf. The Assessed Values of the three comparables ranged from \$88/sf to \$131/sf, with a median of \$106/sf.

[8] The Complainant presented the documentation for the sale of the subject property and for the other two properties on the Sales Comparison chart.

Respondent's Position:

[9] J. Tran, City of Calgary Assessor, presented an Industrial Sales chart which included four properties, including the subject. One of the properties was on C-COR land, and all were in the SE Industrial Area. The remainder were I-G Central single tenant industrial warehouses. TASPs for the Respondent's proposed comparable properties ranged from \$106.21/sf to \$181.65/sf.

[10] The Respondent presented an Industrial Equity chart of four Industrial Warehouses (one multi-tenant, three single tenant) with a median assessed rate of \$132.79/sf.

Rebuttal:

[11] In Rebuttal, D. Mewha argued that the City of Calgary comparable sales and equity were

not as comparable to the subject as the ones presented by the Complainant. He stated that the Sale Value is always the best indication of Market Value, provided it is arm's length. He asked the Board to reduce the assessment of the subject to the original Sale Value of \$98/sf.

Board's Reasons for Decision:

[12] The Board considered the Equity and Sales comparables presented by the Complainant and the Respondent. The Equity comparables indicated that the equitable range of values for the subject would be less than the current assessed value but more than the requested value of \$95/sf.

[13] The Board considered the TASP and decided this value was more representative of the Market Value than the actual Sale price, which reflected the values of 2009. The Board decided that the adjusted Sale value was the best indicator of Market Value.

[14] The Board reduces the 2012 assessment to a rate of \$106/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:**

NO.	ITEM
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.*

Appeal Type	Property Type	Property Sub-type	Issue	Sub-Issue
CARB	Warehouse	IWM	Sales Approach	Comparables