



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:

583611 Saskatchewan Ltd. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

M. Chillibeck, PRESIDING OFFICER

T. Usselman, BOARD MEMBER

T. Livermore, 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: 118005107

LOCATION ADDRESS: 9816 – 52 ST SE

FILE NUMBER: 72977

ASSESSMENT: \$3,660,000.

This complaint was heard on 13th day of June, 2013 at the office of the Assessment Review Board in Boardroom 3 on Floor Number 4, located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- *D. Mewha*

Appeared on behalf of the Respondent:

- *E. Wu*
- *T. Nguyen*

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] At the outset of the hearing, both parties agreed that the total assessed land area should be corrected from 4.44 acres to 3.92 acres.

[4] This results in a corrected assessment of \$3,400,000.

Property Description:

[5] The subject is a developed parcel of land of 3.92 acres, designated I-G and improved with two single-tenant warehouse buildings. One building is 10,050 sq. ft. and the other is 3,055 sq. ft., aggregating 13,105 sq. ft., which buildings were constructed in 1979. These buildings have an aggregate of 38% office finish, 6.6% site coverage and 3.06 acres of extra land (subdividable).

[6] The subject is located between 52nd street and 54th street adjoining 98th avenue immediately north of the irrigation canal, located in the region of South Foothills in the south east quadrant of the City of Calgary.

Issues:

[7] 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) The subject assessment is not equitable with similar competing properties.

Complainant's Requested Value: \$2,920,000.

Board's Decision: Change the assessment to \$2,940,000.

Legislative Authority, Requirements and Considerations:

[8] 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).

[9] 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

[10] 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:

[11] The subject property is assessed in two parts. One part is for the buildings with site coverage at 30% less a multiple building adjustment. The other part is for 3.06 acres of extra/subdividable land at the developed I-G land rate of \$585,000 per acre less an adjustment of 15% for "South Foothills reduction for local improvement issues".

[13] The buildings with underlying land are assessed at \$1,881,259 and the extra land is assessed at \$1,522,993 for a total of \$3,404,211 (\$3,400,000 rounded).

[14] This results in an aggregate assessed rate of \$259.76 per sq. ft. of assessable building area.

Complainant's Position:

[15] The Complainant asserted that the Respondent has assumed the extra land is subdividable, however because of the building layout on the subject parcel it would be difficult to physically subdivide the parcel into two separate parcels of land; therefore the parcel cannot be subdivided into two separate legal parcels of land and the extra land should be assessed at 60% of the I-G land rate rather than 100%.

[16] The Complainant provided ten assessment/equity comparables and argued that the median rate of \$223 per sq ft of building area supports the requested rate for the subject property.

[17] The comparables have a median assessable building area of 11,759 sq. ft., median year of construction at 1979, median office finish at 22%, median site cover at 5%; all similar to the subject. The similarity of the comparables to the subject justifies the median rate of \$223 per sq. ft. for the subject for an equitable assessment.

Respondent's Position:

[18] The Respondent refuted seven of the Complainant's assessment comparables for various reasons such as; zoning, partial servicing, and land only assessment.

[19] An assessment equity chart of five properties was provided to show that the assessed rate per sq ft. of building area with 30% site cover, which range from \$146 to \$195, supports the subject's assessed rates of \$136 and \$165.

Complainant's Rebuttal:

[20] The Complainant provided assessment summary reports for each of their comparables to support the information shown on their comparable chart.

[21] Also, summary sheets were provided for each of the Respondent's comparables to show that the information shown on the comparable chart is incomplete and incorrect. Each of the five comparables on the chart had one or more errors such as; building area, land area, etc. The Complainant asserted that the Respondent's comparables cannot be relied on to support the assessment of the subject.

Board's Reasons for Decision:

[22] The Board finds the Complainant's remaining three assessment comparables persuasive. These three comparables were not refuted by the Respondent and on review the Board finds them similar to the subject in respect of assessable area, year of construction, office finish and site coverage.

[23] The Respondent's chart of comparables is incomplete, contains errors and the analysis is not consistent. The Board finds this chart to be unreliable and placed very little weight on it in making its decision.

[24] The best information before the Board is the three comparables from the Complainant and based on the foregoing the Board determined that \$225 per sq. ft. of building area is a fair and equitable rate for the subject. This results in a property assessment of \$2,940,000.

DATED AT THE CITY OF CALGARY THIS 18th DAY OF JULY 2013.

A handwritten signature in cursive script, appearing to read 'M. Chilibeck', written over a horizontal line.

M. Chilibeck
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. 72977P-2013			Roll No. 118005107	
<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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