



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:

RGO PROPERTIES 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: 033036005

LOCATION ADDRESS: 4310 – 12 ST NE

FILE NUMBER: 73038

ASSESSMENT: \$4,080,000.

This complaint was heard on 23th 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:

- *F. Taciune*

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 2.22 acres, designated I-G and improved with one single-tenant warehouse building. The assessed building area is 37,056 sq. ft. and constructed in 1973. The building has 35% office finish and the parcel has 38.32% site coverage.
- [5] The subject is located on the east side of 12 ST and south of 44 AV located 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) Four sale comparables with a median sale price of \$89 per sq. ft. of building area supports the claim the assessment is in excess of its market value.

Complainant's Requested Value: \$3,180,000. Per disclosure.

\$3,290,000. Amended at hearing.

Board's Decision: Change the assessment to \$3,290,000.

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 \$110.20 per sq. ft. of assessable building area.

Complainant's Position:

[11] The Complainant provided four sale comparables, which have an aggregate median sale price of \$89 per sq. ft. of building area, in support that the subject is assessed in excess of its market value.

[12] The comparables have a net rentable area (NRA) range of 39,600 to 51,200 sq. ft., an actual year of construction (AYOC) range of 1972 to 1980, a site coverage (SC) range of 34% to 45% and time adjusted sale price range of \$86 to \$101 per sq. ft. of building area. The median of the sale prices is \$89 per sq. ft. of building area.

[13] In rebuttal the Complainant provided a chart listing the Respondent's eight sale comparables, of which four are in common with the Complainant, showing the various factors and characteristics and argued that those comparables which are rated as quality B (AYOC 1990 to 1998) should be excluded from the analysis. The median sale price of the balance of the comparables is \$89.14 per sq. ft. of building area. The median sale price of the eight comparables is \$104.53 per sq. ft.

Respondent's Position:

[14] The Respondent provided a chart of eight sale comparables, of which four are in common with the Complainant, showing the various factors and characteristics for each comparable.

[15] The eight comparables have a NRA range of 28,358 to 59,573 sq. ft., an AYOC range of 1972 to 1998, SC of 29.21% to 49.43%, sale price range of \$88.38 to \$149.71. The average sale price of the eight comparables is \$111.89 per sq. ft. of building area.

[16] The Respondent provided an assessment equity chart of seven properties that have a NRA range of 36,158 to 39,468 sq. ft., AYOC range of 1973 to 1981, SC range of 37.13 to 39.05% and assessed rate range of \$105.41 to 115.92 per sq. ft.

Board's Reasons for Decision:

[17] The Board does not agree with the Respondent that the appraised value rather than the sale price for one comparable should be used in the analysis. The Board accepts that the sale price is a better indicator of value and the sale price was used by the Respondent in their analysis when determining the 2013 assessment, as shown in evidence by the Complainant which was obtained from the Respondent and titled *2013 Property Assessment Non-residential Industrial sales July 2010 – June 2012*.

[18] The Board finds the four comparables from the Complainant are similar to the subject in AYOC, SC, and time adjusted sale price per sq. ft. Three of the four sales are in the range of \$85.94 to \$89.14 per sq. ft. When the fourth sale of \$101.17 per sq. ft. is included, the median is \$89 per sq. ft.

[19] The Board finds that of the four comparables from the Respondent, three should be excluded because of AYOC (quality B) which range from 1993 to 1998.

[20] The best information before the Board is the Complainant's four comparables and one comparable from the Respondent. These comparables have a NRA range of 39,600 to 59,573 sq. ft., AYOC range of 1972 to 1980, and time adjusted sale price range of \$85.94 to \$107.89 per sq. ft. The median and average of these sale prices is \$89 per sq. ft.

[21] Based on the foregoing the Board is convinced that \$89 per sq. ft. of building area is the correct market sale rate for the subject. This results in a property assessment of \$3,290,000, truncated.

DATED AT THE CITY OF CALGARY THIS 22nd DAY OF October 2013.

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

M. Chilibeck
Presiding Officer

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

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