



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:

WILLOW HOLDINGS 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: 024008302

LOCATION ADDRESS: 5225 – 8 ST NE

FILE NUMBER: 73101

ASSESSMENT: \$5,260,000.

This complaint was heard on 26th 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:

- *B. Brocklebank*

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 2.69 acres, designated I-G and improved with one multi-tenant warehouse building constructed in 1977. The assessed building area is 48,625 sq. ft. The building has 8% office finish and the parcel has 40.95% site coverage.
- [5] The subject is located on the west side of 8 ST north of 50 AV, between Deerfoot Trail and the Canadian Pacific Railway, 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) Seven sale comparables with a median time adjusted sale price of \$88 per sq. ft. of building area supports the claim the assessment is in excess of its market value.

Complainant's Requested Value: \$4,050,000. Per disclosure.
\$4,270,000. Amended at hearing.

Board's Decision: Change the assessment to \$4,570,000.

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 \$108.20 per sq. ft. of assessable building area.

Complainant's Position:

[11] The Complainant provided seven sale comparables which have an aggregate median time adjusted sale price of \$88 per sq. ft. of building area in support of the claim the subject assessment is in excess of its market value.

[12] The comparables have a net rentable area (NRA) range of 36,167 to 84,531 sq. ft., an actual year of construction (AYOC) range of 1972 to 1980, site coverage (SC) range of 35% to 49% and time adjusted sale price range of \$62 to \$108 per sq. ft. of building area. The median of the sale prices is \$88 per sq. ft. of building area.

[13] In rebuttal the Complainant provided a chart listing the Respondent's five sale comparables, one of which is common to the Complainant, showing the various factors and characteristics. The Complainant argued that those comparables which have a quality B (AYOC of 1993 to 1998) should be excluded from the analysis.

[14] The Complainant made reference to the Respondent's *Range of Eight Key Factors* and asserted that three are significant factors; net rentable area (NRA), actual year of construction (AYOC) and site coverage (SC), and asserted these factors are key in determining similarity between the subject property and the comparable properties.

Respondent's Position:

[15] The Respondent provided a chart of five sale comparables, one of which is common with the Complainant, showing the various factors and characteristics for each comparable in support of the subject's assessed rate of \$108 per sq. ft.

[16] The five comparables have a NRA range of 23,678 to 59,573 sq. ft., an AYOC range of 1976 to 1998, SC of 31.40% to 49.43% and a time adjusted sale price range of \$107.89 to \$151.94 per sq. ft.

[17] The Respondent provided an assessment equity chart of seven comparable properties that have a NRA range of 42,610 to 52,640 sq. ft., AYOC range of 1973 to 1980, SC range of 35.78 to 42.76% and an assessed rate range of \$107.42 to \$112.19 per sq. ft.

Board's Reasons for Decision:

[18] The Board agrees with the Complainant, that of the five sale comparables from the Respondent, three should be excluded because of AYOC of 1993 to 1998 (quality B). This leaves two comparables, one of which is common to the Complainant.

[19] The Board finds one of the Complainant's comparables has two buildings, one of which has an AYOC 1998 (quality B). Also, this comparable is a manufacturing facility and valued using the cost method. Therefore it was given no weight by the Board in making its decision.

[20] The best comparables before the Board are the Complainant's remaining six comparables, one of which is common to the Respondent, which have a time adjusted sale price range of \$80 to \$108 per sq. ft. or an average of \$94 per sq. ft.

[20] Based on the foregoing the Board finds the correct market rate to be \$94 per sq. ft. and therefore changes the assessment to \$4,570,000.

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



M. Chilibeck
Presiding Officer

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

1. C1	Complainant's Disclosure
2. R2	Respondent's Disclosure
3. C3	Complainant's Rebuttal

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).*

(a) the assessment review board, and

(b) any other persons as the judge directs.

Roll No. 024008302

<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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