



## **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:**

***Rim Investments Inc. (as represented by Altus Group Limited), COMPLAINANT***

**and**

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

**before:**

***M. Chilibeck, 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: 201772779**

**LOCATION ADDRESS: 7162 – 110 AV SE**

**FILE NUMBER: 73731**

**ASSESSMENT: \$2,790,000.**

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.

**Property Description:**

[3] The subject is a developed parcel of land of 1.44 acres, designated I-G, improved with one single-tenant warehouse building of 10,092 sq. ft., constructed in 2012. The building has 43% office finish and 12.66% site coverage. It is located in the East Sheppard Industrial community in the south east quadrant of the City of Calgary.

**Issues:**

[4] 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) Comparable sales indicate the subject should be assessed at \$189 per sq. ft. of assessable building area.

**Complainant's Requested Value:** \$1,907,388

**Board's Decision:** Change the assessment to \$2,090,000.

**Legislative Authority, Requirements and Considerations:**

[5] 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).*

[6] 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*

[7] 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*

**Property Assessment:**

[8] The subject property is assessed using the sales comparison method.

[9] A rate of \$277.39 was applied against the assessable building area of 10,092 sq. ft. to arrive at the total assessment of \$2,799,433, truncated to \$2,790,000.

**Position of the Parties****Complainant's Position:**

[10] The Complainant provided a chart of ten sale comparables and identified the best five sales that are similar to the subject.

[11] The five comparables have a median building area of 14,624 sq. ft., median land area of 1.1 acres, median year of construction of 2008, median finish of 35%, median sale price of \$189 per sq. ft., and median time adjusted sale price of \$205 per sq. ft. and as a result the Complainant argued that the median sale price of \$189 should be applied to the subject property.

[12] The 2013 assessments were provided on the chart for each of the five sale comparables which shows the median assessment to sales ratio (ASR) of 1.16.

**Respondent's Position:**

[13] The Respondent provided a chart showing the Complainant's five sale comparables plus an additional seven sale comparables showing the median for the 12 sales for parcel size to be 1.58 acres, assessable building area at 12,076 sq. ft., year of construction at 1999, finish at 20%, site coverage at 18.87% and time adjusted sale price at \$243.69 per sq. ft. and as a result argued this supports the subject assessment at \$277.39 per sq. ft.

[14] The Respondent argued that the Complainant's requested rate does not include a time adjustment. Three of the sales are dated January and August, 2010 and should be time adjusted to valuation date of July 1, 2012. The other two sales are dated June and August 2012 and do not require a time adjustment.

[15] A 2013 Industrial Improved Time Adjustment chart was provided in evidence showing factors for sales in June, 2010 to November, 2011 and that no adjustment is required for sales in December, 2011 to June, 2012.

[16] Upon being questioned by the Complainant, the Respondent identified one sale, 4550-35 St., as bring their best comparable at \$244 per sq. ft.

**Complainant's Rebuttal:**

[17] The Complainant provided a chart showing their five sale comparables and included the Respondent's best comparable, to show that the median sale price of \$196 supports the request for the rate of \$189 per sq. ft.

[18] The chart also includes the Respondent's six sale comparables. The Complainant asked that one sale be deleted as it is not similar to the subject and drew the Board's attention to the other sales, identifying significant differences in parcel size, year of construction and site coverage supported with assessment summary and sale reports, asserting the comparables are not similar to the subject.

**Board's Reasons for Decision:**

[19] The Board is convinced by the Complainant's comparables to change the subject assessment. On reviewing these comparables the Board agrees the sales should be time adjusted as identified by the Respondent and they are reasonably similar to the subject.

[20] The Board is persuaded by the Complainant's evidence and argument that the Respondent's comparables are not similar to the subject and therefore are not reasonable comparables.

[21] The best evidence before this Board is from the Complainant. The range of values for the various characteristics are much closer together than the Respondent's which indicates the degree of similarity of the comparables and in turn with the subject.

[22] The Board considered the Complainant's comparables together with the Respondent's best comparable and decided that the time adjusted sale price of \$208 per sq. ft. is a fair and equitable rate to apply to the subject property.

DATED AT THE CITY OF CALGARY THIS 11<sup>th</sup> DAY OF JULY 2013.

A handwritten signature in black ink, appearing to read 'M. Chilibeck', is written over a horizontal line.

M. Chilibeck

Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
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**

<b>Decision No. 73731P-2013</b>			<b>Roll No. 201772779</b>	
<b><u>Complaint Type</u></b>	<b><u>Property Type</u></b>	<b><u>Property Sub-Type</u></b>	<b><u>Issue</u></b>	<b><u>Sub-Issue</u></b>
CARB	Industrial	Warehouse	Sales Approach	Equity

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