



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:

**MAJESTIC HOLDINGS LTD.,
(as represented by Altus Group),
COMPLAINANT**

and

**The City Of Calgary,
RESPONDENT**

before:

**R. Glenn, PRESIDING OFFICER
B. Bickford, BOARD MEMBER
Y. Nesry, 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 2014 Assessment Roll as follows:

ROLL NUMBER:	101002905
LOCATION ADDRESS:	5504-4 ST SE
FILE NUMBER:	73968
ASSESSMENT:	\$1,820,000

This complaint was heard on Wednesday, the 30th day of July, 2014 at the offices of the Assessment Review Board located at Floor Number 4, at 1212 – 31 Avenue NE, Calgary, Alberta, in Boardroom 4.

Appeared on behalf of the Complainant:

- D. Mewha, Agent, Altus Group

Appeared on behalf of the Respondent:

- T. Luchak, Assessor, The City of Calgary

Board's Decision in Respect of Procedural or Jurisdictional Matters:

[1] There were no questions or issues of Jurisdiction or Procedure raised prior to, or during the hearing. There were no objections voiced to the composition of the Board as it was then constituted.

Property Description:

[2] The subject property is a 0.39 acre parcel of land with a one building improvement used as an Industrial Warehouse with a single tenant, Year of Construction (YOC): 1965, "C-" quality and comprising an assessable total of 10,345 sf (square feet), located in the sub-market "NONRES SM3" with an I-G Land Use Designation, located in the Central Region in the community of Manchester Industrial.

Issue:

[3] Whether or not:

- (a) the subject property has been properly assessed according to the market value;
- (b) the subject property has been equitably assessed;

Complainant's Requested Value: \$1,458,645

Board's Decision:

[4] The Board confirmed that the assessment did reflect proper market value and, further that the subject had been equitably assessed.

Complainant's Position:

[5] In argument the Complainant provided a table of three sales comparables, and nine equity comparables. Dealing with the sales comparables, the subject had .39 acres of land area, whereas the comparables had a median of .35 acres and an average of .51 acres. The subject had an assessable building area of 10,345 sf, whereas the comparables had a median of 9,841 sf and an average of 11,335 sf. Even though one of the comparables was 20 years older than the subject, the median and average age of the comparables were close to the subject.

[6] The site coverage of the subject was higher than the comparables, but the big difference was in the finish. The subject was at 12% finish, whereas the median of the comparables was 47% and the average was 36%. The assessment of the subject was \$176/sf, whereas the sale prices of the comparables had a median of \$135/sf and an average of \$134/sf, with a median Time Adjusted Sale Price of \$148/sf and an average of \$147/sf. The comparables had a median 2014 assessment of \$182/sf and a median average assessment of \$160/sf.

[7] Looking at the equity comparables, all of the properties were IWS. The subject had a land area of 0.39 acres with the comparables having a median of 0.41 acres and an average of 0.42 acres. The subject had a Net Rentable Area (NRA) of 10,345 sf and the comparables had a median NRA of 10,573 sf and an average NRA of 11,300 sf. The subject YOC was 1965, and the comparables had a median YOC of 1966, and an average YOC of 1967.

[8] The subject had a 12% finish, whereas the comparables had a median finish of 15% and an average finish of 18%. Surprisingly, the Complainant's best comparable at 5319-2 St SE had a finish of 0%. The subject's site coverage was 62%, whereas the comparables had a median site coverage 59% and an average of 63%. The equity comparables came from both the South East and South West Quadrant of the Central region. All of the properties had only a one building improvement.

[9] The Complainant went on to argue that all of their comparables were developed prior to the new Land Use Bylaw, so they could be grandfathered in, and therefore the zoning was not relevant to those properties. Also, the City's evidence proves that the site coverage of a property was a bigger driver of value than Land Use.

[10] The Complainant argued against the characteristics of the Respondent's comparables, saying they were not similar enough to be proper comparables. They further argued that the assessment rates for I-G and I-R properties were the same and finally that the Market Value of the subject should be \$141.00/sf, or a requested total assessment of \$1,450,000.

Respondent's Position:

[11] The Respondent presented a chart of six sales comparables, three of which were identified as I-G, and three were I-R. The Respondent also noted that I-R land does not sell for the same as I-G land, though this was disputed, as the Complainant argued the land uses for I-R and I-G are not that different. Four of the Respondent's comparables were located in the Central Region in the SE quadrant, and two were in the NE quadrant.

[12] The Respondent argued that their sales comparables support the subject assessment at well in excess of \$200.00/sf, however, a mathematical average of their comparables' Time Adjusted Sales Prices appears to be \$151.82/sf. There was also some dispute as to the amount of the subject's finish, with the Complainant suggesting a 12% finish, and the Respondent arguing a 0% finish. This disparity was not resolved during the hearing.

[13] The Respondent continued to argue that I-G land is more valuable than I-R land, and finished their argument by stating that: "we don't have to make many (or any) adjustments"

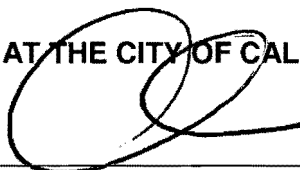
Board's Reasons for Decision:

[14] The Board carefully considered the argument and evidence of both parties. After such consideration, the Board found that all of the sales and equity comparables of both parties provided a range of value surrounding the subject. The evidence of the Complainant did not convince the Board that an error was indicated in the subject assessment.

[15] If the Complainant has not demonstrated an error by the evidence which it calls, the Board is bound to confirm the subject assessment. The Board does so herewith.

[16] The subject assessment is hereby confirmed in the amount of \$1,820,000.

DATED AT THE CITY OF CALGARY THIS 9th DAY OF September 2014



R. Glenn
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 Disclosure

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.*

For Administrative Use Only

Appeal Type	Property Type	Property Sub-type	Issue	Sub-issue
CARB	Industrial Warehouse	Single Tenant	Market Value	Equitable Assessment