



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:

Sun Life Assurance Company of Canada (as represented by MNP LLP), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, J. Zezulka
Board Member, D. Morice
Board Member, P. McKenna***

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: 201314929

LOCATION ADDRESS: 100 5126 - 126 Avenue SE

FILE NUMBER: 74322

ASSESSMENT: \$3,750,000

This complaint was heard on the 28th day of July, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *J. Langelaar, Agent, MNP LLP*
- *G. Worsley, Agent, MNP LLP*

Appeared on behalf of the Respondent:

- *J. Tran, Assessor, City of Calgary*
- *T Nguyen, Assessor, City of Calgary*

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

There were no procedural or jurisdictional matters raised by either party.

Property Description:

(1) The subject is a multi bay warehouse property located in the East Shepard Industrial area of SE Calgary. The building has an assessable area of 17,632 square feet (s.f.). The building was built in 2007. The finish ratio is 66.0 per cent. The land area is 1.62 acres. The land is designated I-G. Site coverage is 16.92 per cent.

(2) The property is currently being assessed by the sales comparison approach. The Complainant does not dispute the method of valuation. However, the current assessment reflects a rate of \$213.13 per s.f. The Complainant contends that that rate is not equitable with similar properties, and that the rate does not properly reflect market values.

Complainant's Requested Value: \$3,080,000., or \$3,490,000.

Board's Decision:

- (3) The assessment is confirmed.

Legislative Authority, Requirements and Considerations:

- (4) This Board derives its authority from section 460.1(2) of the Act.

(5) Section 2 of Alberta Regulation 220/2004, being the Matters Relating to Assessment and Taxation Regulation (MRAT), states as follows;

"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, and

(c) must reflect typical market conditions for properties similar to that property"

(6) Section 467(3) of the Act states;

"An assessment review board must not alter any assessment that is fair and equitable, taking into consideration (c) the assessments of similar property or businesses in the same municipality."

(7) For purposes of this Complaint, there are no extraneous requirements or factors that require consideration.

(8) The Board notes that the assessment has increased from \$3,570,000 in 2013, to \$3,750,000 in 2014.

Position/Evidence of the Parties

(9) The Complainant submitted three sales comparables that reflected time adjusted selling prices from \$167 to \$180 per s.f. Comparable building sizes are 16,082 to 20,792 s.f.. The average selling price is \$175.00 per s.f.. These comparables have interior finish ratios ranging from 18.6 to 29.9 per cent. It is from these comparables that the Complainant derives a sales comparison estimate of \$175 per s.f. and the request of \$3,080,000.

(10) The Complainant also submitted four equity comparables, all in East Shepard. Assessments ranged from \$194 to \$206 per s.f. The median and average appear at \$198 and \$199 per s.f.. Interior finish ratios of these properties vary from 17 to 47 per cent. The Complainant adopted \$199 per s.f. to arrive at the alternate request of \$3,490,000.

(11) The Respondent submitted a chart containing four industrial sales in support of the assessment. Two of the sales are common to the Complainant. Time adjusted per s.f. prices range from \$179.47 to \$254.09 per s.f. The median and average appear at \$212.19 and \$214.48 per s.f..

(12) The Respondent also submitted five equity comparables. These reflected assessments from \$205.99 to \$232.77 per s.f. The median is \$215.91 per s.f. All had an interior finish ratios significantly lower than the subject.

Findings and Reasons for Decision:

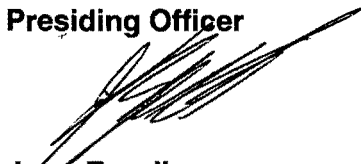
(23) The onus of proving that an assessment is incorrect lies with the individual alleging it. The onus rests with the Complainant to provide convincing evidence to justify a change in the assessment. In the assessment complaint process, every opportunity is provided to both parties to present evidence and arguments in support of their positions. However, the ultimate burden of proof rests on the Complainant to convince the Board that their arguments, facts and evidence are more credible than that of the Respondent. In this Board's opinion, the Complainant failed to provide convincing evidence to justify a change in the assessment.

DATED AT THE CITY OF CALGARY THIS

12

DAY OF September, 2014.

Presiding Officer



Jerry Zezulka

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

NO.	ITEM
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- (a) the assessment review board, and
- (b) any other persons as the judge directs.
- (c)

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Decision No. CARB 74322P/2014			Roll No. 201314929	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Single tenant warehouse	Market Value	Sales comparison	Comparables