



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:

Safeway Holdings (Alberta) Ltd. (as represented by MNP LLP), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

K. Thompson, PRESIDING OFFICER
A. Wong, BOARD MEMBER
G. Milne, BOARD MEMBER

This is a complaint to the Calgary Composite Assessment Review Board (the 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:	090091703
LOCATION ADDRESS:	410 38A Av SE
FILE NUMBER:	74382
ASSESSMENT:	\$2,370,000

This complaint was heard on 11th day of August, 2014 at the office of the Assessment Review Board located at Floor Number 3 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- Y. Lau *Agent, MNP LLP*
- J. Langelaar *Agent, MNP LLP*

Appeared on behalf of the Respondent:

- M. Hartmann *Assessor, City of Calgary*

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

[1] No procedural or jurisdictional issues were brought forward. The Complainant and Respondent asked to carry over questions, summary and argument from file 74386 with respect to the additional five properties placed into evidence. The Board continued with the merits of the complaint.

Property Description:

[2] The subject property is a single bay industrial warehouse operating as a 'bottle depot' and is located at 410 38A Av SE in the Manchester Industrial Park. This property has been classed as 'C' and is assessed as having 8,680 square feet (sf) of building, constructed in 1971 on a 1.36 acre parcel.

[3] The subject property is assessed using the sales comparison method of valuation and has a rate of \$273.97 per square foot (psf).

Issues:

[4] The value of the property would better reflect market if it were based on a rate of \$249.00 psf.

Complainant's Requested Value: \$2,160,000

Board's Decision:

[5] The assessment is confirmed at \$2,370,000.

Legislative Authority, Requirements and Considerations:

[6] Section 460.1(2) of the Act provides that, 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).

Position of the Parties

Complainant's Position:

[7] The Complainant presented data on six comparable industrial property sales, all in southeast industrial parks [C1, pp.14-15]. The sales all occurred in 2012 and 2013 and their size range bracketed the subject property. The Complainant stated that there was no issue with the Respondent's time adjustments for the sale properties and all sales were selected from the list of sales provided to them by the Respondent (the list of sales used by the Respondent to develop the valuation model for this type of property). The Complainant also did a site adjustment of 12.94% to acknowledge the excess land. The time and site adjusted sale prices ranged between \$178.00 psf and \$292.00 psf with a median of \$249.00 psf and a mean of \$237.00 psf. The Complainant stated that this supports the request for the subject property to be valued at \$249.00 psf.

[8] The Respondent noted in questioning that the comparable at 6939 Farrell Rd SE is a great distance from the subject and should be questioned as to its similarity to the subject.

[9] Supporting RealNet sale documents were included [C1, pp.24-51] along with the 2014 Assessment Information package received from the City [C1, pp.53-67].

[10] The Complainant included five additional Property Assessment Summary reports of sales used in City's analysis for the industrial model, however failed to provide any relation to the subject property or value conclusion.

Respondent's Position:

[11] Respondent presented a 2014 Industrial Sales Chart and reviewed the details on five sales comparables from southeast industrial parks, two of which are also used by the Complainant [R1, p. 38]. The sales occurred from 2011-2013 and the time adjusted sale price ranged between \$213.64 psf to \$296.50 psf with a median of \$236.84 psf. The size range bracketed the subjects' building area. Supporting documents for the sales were provided [R1, pp. 39-50]. It was noted in questioning that the sale document for 3810 7 St SE was for the wrong sale year and not relevant to this hearing.

[12] The Complainant noted that the Respondent's comparable sale at 4002 4 St SE included an auxiliary building, which might alter the price psf of the sale.

[13] The Respondent also provided five equity comparables having a range in assessed value of \$263.00 psf to \$297.00 psf, stating this supports the subject properties value [R1, p. 52].

[14] The Respondent also commented that the Complainant adjusted for the differences in time and land area in its comparable chart but did not adjust for any other physical differences. This would put a great deal of emphasis on the site adjustment.

[15] The Respondent provided data for the five additional properties in the Complainant's evidence, however was unclear of their purpose so made no further comments.

Board's Reasons for Decision:

[16] The Board will limit its comments to the relevant facts pertaining to this case.

[17] The subject property seems to be a reasonable representation of assessment class and equitable to the surrounding properties. Nothing unique or underperforming was brought forward with regards to this particular property with the exception to the large lot size and the small building ratio. No adjustments were made for this factor on the assessed value. This subject's placement in this zone was not challenged by the Complainant. The Board reviewed the evidence provided by both parties. Both the Complainant and the Respondent used the sales comparison approach to value this property and two sales were common to both analyses.

[18] The Board reviewed the time and site adjusted sale prices provided by the Complainant and while the analysis seemed reasonable, the Board was unconvinced that this is a better method than the time adjusted sale price. The resulting value appears to place all the weight on site coverage but this is only one feature that is being adjusted for. The Board will rely on the time adjusted sale price.

[19] In review of all the sales comparables the Board agrees that the sale at 6939 Farrell Rd SE, although in the group of sales used in the Respondent's analysis for the model, was a considerable distance from the subject and put little weight on it. The median time and site adjusted rate psf would be \$264.00 without this comparable. Taking this into consideration along with the Board's decision to rely on the time adjusted sale price and in review of the equity comparables presented by the Respondent, the Board concludes there is not enough compelling evidence to alter this assessment.

[20] The subject property is confirmed at the rate of \$273.97 psf.

DATED AT THE CITY OF CALGARY THIS 15th DAY OF September 2014.



K. Thompson

Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent 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.*

Property Type	Property Sub-Type	Issue	Sub issue
industrial	Warehouse multi	Value/comparables	