



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:	201901154
LOCATION ADDRESS:	431 41 Av NE
FILE NUMBER:	74384
ASSESSMENT:	\$3,170,000

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 that the testimony, questions and summary comments with respect to the five condominium/income sales be carried over from file 74386. The Board continued with the merits of the complaint.

Property Description:

[2] The subject property is a multi bay, multi tenant industrial warehouse located at 431 41 Av NE in the Greenview Industrial Park. This property has been classed C and is assessed as having ten units in a total of 22,939 square feet (sf) of building, constructed in 1972 on a 1.42 acre parcel. The land use designation is Commercial Corridor 3.

[3] The subject property is assessed using the sales comparison method of valuation and has a rate of \$138.48 per square foot (psf).

Issues:

[4] The value of the property would better reflect market if it were based on \$125.00 psf.

Complainant's Requested Value: \$2,890,000

Board's Decision:

[5] The assessment is reduced to \$2,980,000.

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 commented that the subject property was assessed as two separate buildings on their own parcels in 2013 and were consolidated into single assessment account for the 2014 roll year.

[8] The Complainant presented data on six comparable industrial property sales, all in Greenview industrial parks [C1, pp.13-14]. The sales occurred from 2011 to 2013 and their size ranges bracketed the subject property. The Complainant stated that it had no issue with the Respondent's time adjustments for the sale properties and all sale comparables were selected from the list provided by the City (referencing the list of valid sales used by the Respondent to develop the valuation model for this type of property). The resulting time adjusted sale price rate ranged between \$89.00 psf to \$159.00 psf with a median and mean of \$125.00 psf.

[9] The Complainant addressed the issue of site coverage and adjusted the comparables to an equivalent of 37% of the subject property's land area. The site adjustment calculations were provided [C1, p. 13]. The resulting time and site coverage adjusted sale price psf ranged between \$89.00 psf and \$159.00 psf with a median and mean of \$125.00 psf.

[10] Supporting RealNet sale documents were included [C1, pp.24-37] along with the City's 2014 Assessment Information package appropriate assessment documents [C1, pp.39-54].

[11] The Complainant included the 2013 CARB decision for the subject property for the Board's consideration.

[12] 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:

[13] The Respondent presented a 2014 Assessment Explanation Supplement for the Complainant's comparable at 4500 8A St NE to show that this property is a two building site whereas the subject property is a one building site [R1, p. 15]. The Respondent stated that there are enough sales of single building sites that there is no reason to compare the subject to a multi building site. Further multi building sites are valued differently than the single building sites. The Respondent argued that the Complainant only adjusted for site coverage and not any of the other key factors in valuing these properties such as year of construction or finish.

[14] The Respondent also commented on the comparable at 224 40 Av NE stating that the surrounding parcels to this property are all owned by a single owner and the sale might be influenced (may not be totally arms length).

[15] The Respondent was concerned with the Complainant's site adjustment (land size adjustment) calculations, stating that the land rates for IG and IR were used and the subject is on Commercial Corridor 3 land which has a different rate psf. The Respondent stated that land rates in Greenview are higher and therefore a different rate than the rest of the NE rates.

[16] The Respondent presented a 2014 Industrial Sales chart and reviewed the details of six sales comparables from northeast industrial parks noting that two of these sales were used by the Complainant [R1, p. 58]. The sales occurred from 2010-2013 and the time adjusted sale price ranged between \$101.62 psf to \$179.19 psf. The size range bracketed the subject's building and land area and the median was \$136.86 psf. The Respondent stated that this supported the subject's \$138.48 psf rate.

[17] Supporting RealNet documents for the sales were provided [R1, pp. 59-76].

[18] The Respondent also provided five equity comparables having a range in assessed value of approximately \$133.03 psf to \$138.48 psf with a median of \$134.00 psf [R1, p. 78].

[19] The Respondent provided a number of CARB decisions for the Board's consideration.

[20] 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.

Complainant's Rebuttal

[21] The Complainant provided a chart with data on all the sales comparables showing time and site adjusted sale prices for both the Complainant and Respondent's comparables, excluding the sale at 4500 8A St NE [C2, p. 4]. The Complainant agreed that a sale property with two buildings is not a good comparable for the subject property. The range of values was \$89.00 psf to \$159.00 psf with a median of \$126.00 psf and a mean of \$129.00 psf. The Complainant revised the request to the \$126.00 rate psf.

[22] The Complainant included documents on the sale at 4413 11 St NE and indicated that little weight should be given to this sale as it is a 'vendor take back' sale.

Board's Reasons for Decision:

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

[24] Both the Complainant and the Respondent used the sales comparison approach to value this property and two sales were common to both analyses. The Board accepted both of these sales.

[25] 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.

[26] The Board was given no comparables with CCOR3 land use designation and only had testimony that properties with this land use are valued at a different land rate.

[27] In review of the sales comparables from both parties the Board gave consideration to; the two common sales, three of the Complainant's and three of the Respondent's. The Board agreed with the Respondent that the sale at 4500 8 Av NE was not comparable to the subject property. The Board placed little weight on sales at 4413 11 St NE and 423 38 Av NE due to the issues with vendor take back and an extreme age difference. The Board accepted the remaining sales as reasonable comparisons to the subject, having some similar characteristics to the subject and finds the median of these sales (\$130.00 psf) the best indicator of value for the subject property.

[28] The Board notes that while it is not bound by previous Board Orders, it did consider those that were submitted (for general principles); this decision is based on the evidence before this Board.

[29] The subject property will be reduced to \$130.00 psf.

DATED AT THE CITY OF CALGARY THIS 16th 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
3. C2	Complainant 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.*

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