

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., Hollander Resources 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:	024006314
LOCATION ADDRESS:	838 55 Av NE
FILE NUMBER:	74385
ASSESSMENT:	\$4,230,000

This complaint was heard on 12th 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 all testimony, questions, summation and argument be carried forward from file 74386 regarding the five additional sales summary sheets in the packages. The Board continued with the merits of the complaint.

Property Description:

[2] The subject property is a multi bay, multi tenanted industrial warehouse with two outbuildings located at 838 55 Av NE in the Skyline East Industrial Park. This property has been classed as 'C' and is assessed as having four units for a total of 31,354 square feet (sf) of building (the out buildings being 1,320 sf and 875 sf), constructed in 1979 on a 2.07 acre parcel. The subject property has two outbuildings with a total of 2,195 sf.

[3] The subject property is assessed using the sales comparison method of valuation and has a rate of \$135.21 per square foot (psf), the outbuildings are rated at \$10.00 psf.

Issues:

[4] The value of the property would better reflect market if the main building were based on a rate psf of \$112.00. There is no issue with the rate for the outbuildings.

Complainant's Requested Value: \$3,530,000

Board's Decision:

[5] The assessment is reduced to \$3,620,000.

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 stated that the assessed rate psf of the main building was the subject of the complainant and all comparables would be based on this. The outbuildings were assessed fairly and were not part of the requested reduction (the outbuilding value would be added on to get the final assessed value). The Complainant presented data on six comparable industrial property sales, all in northeast industrial parks [C1, pp.13-14]. The sales occurred in 2011 and 2012 and their size range 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 Respondent (referencing the list of valid sales used by the Respondent to develop the valuation model for this type of property). The time adjusted sale price psf ranged between \$94.00 psf and \$137.00 psf with a median of \$112.00 psf and a mean of \$110.00 psf. The Complainant concluded that this supported the request to calculate the subject property's assessed value on the rate of \$112.00 psf.

[8] Supporting RealNet sale documents were included [C1, pp.23-37] along with the 2014 Assessment Information package from the City [C1, pp.39-54].

[9] In summary the Complainant commented that the Respondent's comparable at 6835 8 St NE was a clear outlier and should not be part of the sale comparables for this property.

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

[11] 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:

[12] Respondent presented a 2014 Industrial Sales Chart and reviewed the details on four sales comparables from northeast industrial parks noting that three of these sales were used by the Complainant [R1, p. 44]. The sales occurred from 2010-2012 and the time adjusted sale price ranged between \$93.91 psf to \$148.24 psf and the median rate was \$130.56 psf. The size range bracketed the subjects building and land area. The Respondent stated that this supported the subject's \$135.21 psf rate.

[13] Supporting RealNet documents for the four sales were provided [R1, pp. 45-53].

[14] The Respondent expressed that the Complainant's one sale at 3651 23 St NE should not be used as there is reference to deferred maintenance in the sale document. The Complainant argued that this sale was used by the Respondent in its analysis and there is no definition as to the extent of the deferred maintenance or the cost to cure.

[15] The Respondent also provided six equity comparables having a range in assessed value of \$134.35 psf to \$143.47 psf [R1, p. 55].

[16] 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:

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

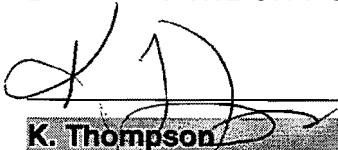
[18] The subject property seems to be a reasonable representation of assessment class and equitable to the surrounding properties. This subject's placement in this zone was not challenged by the Complainant. Both the Complainant and the Respondent used the sales comparison approach to value this property and three sales were common to both analyses.

[19] In review the sales comparables from both parties, the Board agree that the Complainant's sale at 3651 21 St NE should have little weight. There was doubt cast on the condition of this property at time of sale and the Board was not provided with enough evidence to determine if this would affect the sale value. The Board had equal concern with the Respondent's sale at 6835 8 St NE. This property had a newer improvement, which doesn't seem very comparable to the subject property; less weight will be placed on this sale. 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 (\$115.00 psf) the best indicator of value for the subject property. This was supported by the median reached from the three sales comparables shared by the Complainant and Respondent.

[20] 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.

[21] The subject property will be reduced to a \$115.00 psf rate (31,354 sf times \$115.00 psf plus \$21,950 psf for the outbuildings).

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

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	