

## 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:

<b>ROLL NUMBER:</b>	<b>032027401</b>
<b>LOCATION ADDRESS:</b>	<b>3939 19 St NE</b>
<b>FILE NUMBER:</b>	<b>74386</b>
<b>ASSESSMENT:</b>	<b>\$4,520,000</b>

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 Board continued with the merits of the complaint.

**Property Description:**

[2] The subject property is a multi bay, multi tenant industrial warehouse located at 3939 19 St NE in the North Airways Industrial Park. This property has been classed as C and is assessed as having eight units in a total of 32,573 square feet (sf) of building, constructed in 1977 on a 2.05 acre parcel.

[3] The subject property is assessed using the sales comparison approach and the property assessment indicates a rate of \$139.04 per square foot (psf).

**Issues:**

[4] The assessed value of the property would better reflect market if it were based on \$109.00 psf.

**Complainant's Requested Value: \$3,550,000**

**Board's Decision:**

[5] The assessment is reduced to \$4,030,000.

**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 four comparable industrial property sales, all in northeast industrial parks [C1, pp.14-15]. 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 \$84.00 psf and \$137.00 psf with a median of \$109.00 psf and a mean of \$110.00 psf. The Complainant concluded that this supported the request to calculate the subject property's assessed value at the rate of \$109.00 psf.

[8] Supporting RealNet sale documents were included [C1, pp.24-32] along with the 2014 City of Calgary's Assessment Information package [C1, pp.34-48].

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

[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] The Respondent presented a 2014 Industrial Sales Chart and reviewed the details on five sales comparables from northeast industrial parks noting that three of these sales were used by the Complainant [R1, p. 39]. The sales occurred from 2010-2012 and the time adjusted sale price ranged between \$93.91 psf to \$160.34 psf. The size range bracketed the subjects building and land area and the median rate was \$136.86 psf. The Respondent stated that this supported the subject's \$139.04 psf rate for its assessed value.

[12] Supporting RealNet documents for the five sales were provided [R1, pp. 40-51].

[13] The Respondent expressed that the Complainant's one sale at 3651 21 St NE has a rate psf of \$84.00. This rate is very low for properties in the northeast and the subject property was superior to the Complainant's comparables. The Respondent also noted that information listed about this sale stated that there was deferred maintenance on this property at time of sale. 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.

[14] The Respondent also provided five equity comparables having a range in assessed value of \$134.35 psf to \$143.47 psf, suggesting the subject property's assessment is equitable [R1, p. 53].

[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. 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.

[18] In review the sales comparables from both parties, the Board agree that the sale at 3651 21 St NE, although in the group of sales used in the Respondent's analysis for the model, was at a seemingly low rate psf. In such a small sample this sale might overly influence the resulting rate psf. There was some 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 was not inclined to put a lot of weight on this sale when other sales, similar to the subject, were available. The Board had equal concern with the Respondent's sales at 6835 8 St NE and 655 42 Av NE. These two properties had much newer improvements, which didn't seem very comparable to the subject property. The Board accepted the three remaining sales as reasonable comparisons to the subject, having some similar characteristics to the subject and finds the median of these sales (\$124.00 psf) the best indicator of value for the subject property.

[19] 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.

[20] The subject property will be reduced to a \$124.00 psf rate.

DATED AT THE CITY OF CALGARY THIS 15<sup>th</sup> DAY OF September 2014.

  
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K. Thompson

**Presiding Officer**

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

<b>NO.</b>	<b>ITEM</b>
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	