



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:	116009192
LOCATION ADDRESS:	3700 78 Av SE
FILE NUMBER:	74387
ASSESSMENT:	\$6,270,000

This complaint was heard on 13th 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:

- J. Langelaar *Agent, MNP LLP*

Appeared on behalf of the Respondent:

- J. Tran *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 3700 78 Av SE in the Foothills Industrial Park. This property has been classed as C+ and is assessed as having 17 units in a total of 48,905 square feet (sf) of building, constructed in 1980 on a 2.41 acre parcel.

[3] The subject property is assessed using the sales comparison method of valuation and has a rate of \$128.35 per square foot (psf).

Issues:

[4] The value of the property would better reflect market if it were based on a rate of \$100.00 psf.

Complainant's Requested Value: \$4,890,000

Board's Decision:

[5] The assessment is confirmed at \$6,270,000.

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 three comparable industrial property sales, all in southeast industrial parks [C1, pp.13-14] and requested at the hearing that the sale at 3131 57 Av SE be removed as it was negotiated prior to the valuation period. The Complainant stated that the remaining two sales occurred in 2011 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 time adjusted sale prices were \$101.00 psf and \$98.00 psf. The Complainant stated that this still supported the request for the subject property to be valued at \$100.00 psf.

[8] Supporting RealNet sale documents and the non residential property sales questionnaire were included [C1, pp.24-35] along with the 2014 Assessment Information Package received from the City [C1, pp.37-53].

[9] The Respondent noted in questioning that one of the remaining comparables at 5049 74 Av SE was a single unit property which was not similar to the subject property's 17 units.

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

Respondent's Position:

[11] The Respondent presented a 2014 Industrial Sales Chart and reviewed the details on four sales comparables from southeast industrial parks, one of which was used by the Complainant [R1, p. 20]. The sales occurred from 2010-2013 and the time adjusted sale price ranged between \$101.29 psf to \$142.14 psf with a median of \$132.85 psf. The size range bracketed the subjects' building area and one sale in particular at 5824 Burbank Rd SE had very similar characteristics when compared to the subject, in particular the site coverage and finish %. This property was valued at a time adjusted sale price of \$137.03. The Respondent stated that this supported the subject rate of \$128.35 psf as assessed.

[12] During questioning the Complainant noted that the sale at Burbank Rd SE was a portfolio transaction across multiple cities and should be given little weight. The Respondent replied that this sale, as with all portfolio sales, is well researched and if there is an individual sale price attributed to the property it is used as a valid transaction.

Complainant's Rebuttal

[13] The Complainant included the RealNet document on the sale at 5824 Burbank Rd SE, pointing out that it was a portfolio transaction of 79 industrial properties across Canada by Dundee REIT.

[14] The Complainant presented a sales comparable chart which included two of the Respondent's sales comparables (and again removed its comparable at 3131 57 Av SE at the hearing) to illustrate that even with four sales comparisons the value of the subject property is high. With the four comparables the median rate was \$115.00 psf.

Board's Reasons for Decision:

- [15] The Board will limit its comments to the relevant facts pertaining to this case.
- [16] 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.
- [17] 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] In review of the sales comparables the Board accepts five of the sales presented by the Complainant and Respondent as reasonably similar to the subject property, some more than others (the Board excluded the dated sale at 3131 57 Av SE). The portfolio sale was accepted as a sale comparable for this property. This sale had a specified value attributed to it as part of the transfer, the purchase being made by a knowledgeable purchaser. With the five sales comparables the median value was \$129.00 psf. This rate would support the current assessed rate for the subject property.
- [19] The subject property's assessment is confirmed.

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	