



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:	033037508
LOCATION ADDRESS:	1437 47 Av NE
FILE NUMBER:	74389
ASSESSMENT:	\$9,350,000

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*
- B. Brocklebank *Assessor, City of Calgary*

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

[1] The Complainant and Respondent asked to have all testimony, questions, summary and argument carried over from file 74386. No other 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 building (two buildings), 14 multi tenant industrial warehouses located at 1437 47 Av NE in the McCall Industrial Park. Both buildings on this property are classed as C. The first building is assessed as having four units in a total of 50,245 square feet (sf) and the second building having eight units in a total of 39,912 sf. Both buildings were constructed in 1975 and reside on a 5.00 acre parcel.

[3] The subject property is assessed using the sales comparison method of valuation and has a combined rate of \$103.71 per square foot (psf). This property was valued as two separate properties', each with a single building on one lot, and a negative multi building adjustment applied. This adjustment is included in the rate psf.

Issues:

[4] The value of the property would better reflect market if it were based on a rate psf of \$93.00 psf (based on a two building analysis) or \$96.00 psf (based on an aggregate building analysis). The two building analysis request was revised in rebuttal to \$93.00 psf for building one and \$88.00 psf for building two.

Complainant's Requested Value: \$8,180,000 or \$8,650,000

Board's Decision:

[5] The assessment is reduced to \$8,350,000.

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 two different methods to compare the subject property to other similar properties that sold:

- 1) The first method was comparing each of the individual buildings, as if they were on individual sites, with similar sale properties. The Complainant presented data on seven sale properties (single buildings on single sites) [C1, pp. 14-15] similar to the individual subject property buildings and then applied a negative multi building adjustment of -13% to the total value to account for the reduction in value for the subject buildings being on a single parcel. The Complainant developed the multi-building site adjustment through a paired sales analysis and examining other assessments of properties with multi-buildings. It was noted that the Respondent did not identify the amount of the multi-building percentage applied to the subject property by the Complainant [C1, p. 81]. The range of values was \$84.00 psf to \$138.00 psf with a median of \$107.00 psf based on a time adjusted sale price. The multi-building adjustment was determined to be -13% which reduced the rate to \$93.00 psf. 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 City (the list of sales used by the Respondent to develop the valuation model for this class of properties).
- 2) The Complainant revised its sales comparables for method one in the rebuttal. Two of its sales comparables were removed and two of the Respondent's sales were included [C2, pp. 4-5]. The Complainant also split the two buildings and analysed them individually. The results of this analysis was a median rate of \$93.00 psf for building one and \$88.00 psf for building two resulting in a value request of \$8,180,000.
- 3) The second method compared the subject property's aggregate building size of 90,157 sf with sales of similar sized properties. The Complainant went over data on four comparable industrial property sales, all in northeast industrial parks [C1, pp.16-17]. The time adjusted sale prices ranged between \$77.00 psf and \$119.00 psf with a median of \$96.00 psf for an assessment of \$8,650,000.

[8] Supporting RealNet sale documents were included [C1, pp.27-56] along with the 2014 Assessment Information package received from the City [C1, pp.57-72].

[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 the 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 two 2014 Industrial Sales Charts, one for each building on the subject site [R1, p. 39 and p. 49], and went through the details on five sales comparables in each. The comparables were all from northeast industrial parks and four of the sales were the same as the Complainant's. The time adjusted sale price for building one was \$97.77 and was compared with sales that ranged between \$88.75 psf to \$137.95 psf with a median of \$108.51 psf.

[12] The time adjusted sale price for building number two was \$111.31 psf compared to sale properties that ranged from \$93.91 psf to \$160.34 psf with a median of \$124.26. The Respondent stated that the subject rates did have a negative multi-building adjustment applied to them, so should consequently be lower than the comparables. Supporting documents for the sales were provided [R1, pp. 40-48 and 50-59]. The Respondent stated that this more than supports the assessed value of this property.

[13] The Respondent also provided six equity comparables for each building to illustrate that other like buildings were assessed in a similar fashion [R1, p. 61-62].

Board's Reasons for Decision:

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

[15] The Subject property seems to be a reasonable representation of its assessment class and equitable to the surrounding properties. It is somewhat unique as there are two separate buildings on this site, however there was nothing underperforming brought forward with regards to this particular property. 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 four sales were common to both analyses.

[16] The Board agreed that the best approach to use was to compare each building individually to similar properties, determine a value and then apply a multi building adjustment. Both parties used this method. Review of the sales comparables presented by the Complainant and Respondent for this type of analysis resulted in the Board determining that four of the sales were reasonably similar to the attributes of the first building (the three sales agreed to by both parties and one of the Respondent sales at 1423 45 Av NE) arriving at a median rate of \$108.00 psf. The Board accepted six comparable sales for the second building (the five sales agreed to by the Complainant in its rebuttal with one additional sale from the Respondent's remaining sales at 1423 45 Av NE) arriving at a median rate of \$105.50 psf.

[17] The Board accepted the Complainants analysis on the multi building adjustment at -13% as there was no other evidence to consider or objections from the Respondent. The analysis the Complainant presented seemed reasonable.

[18] The resulting value is a reduction in assessment to \$8,350,000, with a combined adjusted rate of \$92.62 psf.

DATED AT THE CITY OF CALGARY THIS 11th 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	