



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

Cantana Investments Limited
(as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before

L. Yakimchuk, PRESIDING OFFICER
G. Milne, BOARD MEMBER
A. Zindler, BOARD MEMBER

This is a complaint to the Calgary Assessment Review 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: 113004725

LOCATION ADDRESS: 7180 12 St SE

FILE NUMBER: 74622

ASSESSMENT: \$6,910,000

This complaint was heard on August 5, 2014 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- *M. Cameron, Altus Group*

Appeared on behalf of the Respondent:

- *R. Farkas, City of Calgary Assessor*

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

- [1] There were no procedural or jurisdictional matters.
- [2] Neither party objected to any members of the Composite Assessment Review Board panel (the Board).

Property Description:

- [3] The subject property is commonly known as the United Furniture Warehouse. It has been assessed as a 30,726 square foot (sf), "B-" quality freestanding big box on 1.38 acres. The assessment was calculated using the income approach.

Issues:

- [4] Should the subject property be assessed at the sale value achieved in January, 2013?

Complainant's Requested Value: \$5,130,000

Board's Decision:

- [5] The Board reduced the assessment to \$5,130,000.

Legislative Authority, Requirements and Considerations:

The Composite Assessment Review Board (CARB) derives its authority from the Act RSA 2000 Section 460.1:

- (2) 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).

For the purposes of this hearing, the CARB will consider the Act section 293(1)

In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in the Act Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

and MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or

if the parcel is used for farming operations, agricultural use value

Position of the Parties

Complainant's Position:

[6] Altus Group, on behalf of the Complainant, argued that the subject property had been sold on January 21, 2013 for \$5,130,000. The Complainant presented documentation to show that the transaction had been conducted through a realtor between unrelated parties.

[7] The sale had been transacted during the assessment year, prior to the valuation date of July 1, 2013. The Complainant argued that this made the sale value the best indicator of value during the assessment year. The Complainant also argued that the subject property had been over assessed using the income approach to valuation and "B-" quality parameters.

[8] In rebuttal, the Complainant argued that another sale presented by the Respondent had occurred during the following assessment year and was not a good indicator of value for the current assessment year.

Respondent's Position:

[9] The Respondent, City of Calgary, explained that the assessment had been calculated on 2014 assessment parameters, using the values for "B-" quality freestanding big box properties.

[10] The Respondent also argued that the assessment calculated was supported by a recent March 12, 2014 sale of the subject property for \$7,000,000. Prior to the sale the asking price for the property had been \$7,500,000. The Respondent further argued that the "B-" quality rating for the property was supported by a good location and by this recent sale, therefore the income calculation based on the "B-" quality parameters was accurate.

[11] The Respondent requested that the Board confirm the assessment because the market value would have increased from the January 21, 2013 sale date to July 1, 2013, as supported by the March 12, 2014 sale.

Board's Reasons for Decision:

[12] The Board considered the two sales of the subject property. The first sale, for \$5,140,000 was well documented by the Complainant as a fee simple sale. The sale had occurred during the assessment period, prior to the July 1, 2013 valuation date.

[13] The second sale occurred after the valuation date, on March 12, 2014. There was no documentation provided by either party to confirm this was a fee simple sale. There was also no documentation provided to show that during the assessment year the asking price had been \$7,500,000.

[14] The Board decided that the sale price is the best indicator of market value. In this case, there were two sale prices, one (with documentation) in the 2013 assessment year and one (without documentation) in the 2014 assessment year. There was no evidence to show how the value changed from January 21, 2013 to July 1, 2013, or during what time period or at what rate the value had grown to \$7,000,000. The Board decided the sale price in the assessment period was the best indicator of value for that period.

[15] The Board reduced the assessed value for the subject property to \$5,130,000.

DATED AT THE CITY OF CALGARY THIS 25th DAY OF August 2014.



L. Yakimchuk

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	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.*

For office use only:

A	B	C	D	E
CARB	Retail	Big Box	Income approach	Sale
