



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:

Hopewell Equities Inc. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

J. Massey, BOARD MEMBER

J. Pratt, 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:	093162907
LOCATION ADDRESS:	2634 45 AV SE
FILE NUMBER:	74715
ASSESSMENT:	\$15,210,000

This complaint was heard on the 16th day of July, 2014 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- J. Weber (Altus Group Limited)

Appeared on behalf of the Respondent:

- J. Ermube (City of Calgary)

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

- [1] There were no concerns with the CARB as constituted.
- [2] The parties have visited the site.
- [3] The parties have not discussed the file.
- [4] There were no preliminary matters. The merit hearing proceeded.
- [5] The parties agreed to carry forward all evidence, argument and discussion from Hearing 73932.

Property Description:

[6] The subject property is a 6.93 acre parcel located in the Valleyfield Industrial community in SE Calgary. The site is improved with two multi tenanted warehouses [IWM], one with 66,307 square feet (sf) of assessable area, 21% finish and 49.67% site coverage and another with 83,678 sf of assessable area, 12% finish and 49.67% site coverage. The improvements were constructed in 1998 and are classified as B quality.

[7] The subject property is assessed using the Sales Comparison Approach to value. The subject assessment receives an undisclosed negative "multi building" adjustment.

Issues:

[8] An assessment amount was identified on the Assessment Review Board Complaint Form as the matter that applies to the complaint. At the outset of the hearing, the Complainant advised that there was one outstanding issue, namely; "the assessment of the subject property is not fair and equitable considering the assessed value and assessment classification of comparable properties."

Complainant's Requested Value: \$13,841,100 (Complaint Form)
\$13,520,000 (Hearing)

CARB's Decision:

- [9] The 2014 assessment is reduced to \$13,520,000.

Legislative Authority, Requirements and Considerations:

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

- (2) *Subject to section 460.1(1), 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).*

The Act requires that:

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) requires that:

2 *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.*

4(1) *The valuation standard for a parcel of land is*

- (a) market value, or*
- (b) if the parcel is used for farming operations, agricultural use value*

CARB's Decision in Respect of Each Matter or Issue

Issue: Is the subject property inequitably assessed considering the assessed value and assessment classification of comparable properties?

Complainant's Position:

[10] The Complainant's Disclosure is labelled C-1.

[11] The Complainant submitted the two improvements are on one title and look and function similar to each other. Further, the property should be assessed with properties of a comparable value versus being assessed as two individual improvements.

[12] The Complainant, on page 12, provided a table titled Equity Comparables. The table contains assessment details of five equity comparables, all [IWM] and all located in the SE. The site area of the comparables ranges from 6.16 acres to 8.82 acres, while the subject property is 6.93 acres. The assessable building area of the comparables ranges from 159,260 sf to 226,453 sf, while the assessable building area of the subject property is 149,985 sf, when combined. The site coverage of the comparables ranges from 47% to 59%, while the site coverage of the subject property is 49.67%. The assessment per square foot (Asmt/sf) of the comparables ranges from \$72.59 to \$99.90 with a median Asmt/sf of \$90.16. The Complainant requested the subject property be equitably assessed at the rate of \$90.16 psf. The Complainant noted that the best comparable is the property located at 5498 76 AV SE and it is assessed at the rate of \$93.93 psf.

Respondent's Position:

[13] The Respondent's Disclosure is labelled R-1.

[14] The Respondent advised that each improvement is valued separately, the values are aggregated and then a negative "multi building" adjustment is applied to determine the total assessed value. The Assessment Explanation Supplement indicates that one adjustment has been made to the assessment, but it is not quantified.

[15] The Respondent, on page 21, provided a table titled 2014 Industrial Equity Chart. The table contains assessment details of seven comparable properties to the smaller improvement, all [IWM] and all located in the SE. The site area of the comparables ranges from 4.67 acres to 8.96 acres, while the subject property is 6.93 acres. The assessable building area of the comparables ranges from 50,888 sf to 79,462 sf, while the subject has an assessable building area of 66,307 sf. The site coverage of the comparables ranges from 32.70% to 50.72%, while the subject site coverage is 49.67%. The Asmt/sf of the comparables ranges from \$79.72 to \$121.41, while the subject is assessed at the rate of \$96.26 psf.

[16] The Respondent, on page 22, provided a table titled 2014 Industrial Equity Chart. The table contains assessment details of seven comparable properties to the larger improvement, all [IWM] and all located in the SE. The site area of the comparables ranges from 7.39 acres to 9.78 acres, while the subject property is 6.93 acres. The assessable building area of the comparables ranges from 74,614 sf to 98,847 sf, while the subject has an assessable building area of 83,678 sf. The site coverage of the comparables ranges from 28.18% to 54.19%, while the subject site coverage is 49.67%. The Asmt/sf of the comparables ranges from \$98.64 to \$134.77, while the subject is assessed at the rate of \$105.54 psf.

CARB's Findings:

[17] The CARB finds that other than size, the two improvements on the subject site are similar in age, construction materials, function and use. It is therefore appropriate to select comparable properties based on the total assessable area. In the market place, the subject property would compete with other properties with similar total floor area regardless of the number of buildings.

[18] The CARB finds that if the Complainant's comparable located at 4760 72 AV SE is removed from the table on page 12 because it is significantly larger than the subject property, the four remaining comparables would have a median Asmt/sf of approximately \$90 psf, which supports the Complainant's requested Asmt/sf of \$90.16 psf.

CARB's Reasons for Decision:

[19] Reducing the assessment of the subject property results in the subject property being equitably assessed in comparison to similar and competing properties.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF August 2014.



B. Horrocks

Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C1 (Hearing 73932)	Complainant Disclosure
4. R1 (Hearing 73932)	Respondent Disclosure
5. C2 (Hearing 73932)	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.*

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Property Type	Property Sub-Type	Issue	Sub-Issue
Warehouse	Multi Tenant	Equity	