

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:

BAILEY METAL PRODUCTS LIMITED
(as represented by DuCharme, McMillen and Associates Canada Ltd.)

COMPLAINANT

and

THE CITY OF CALGARY

RESPONDENT

before:

T. SHANDRO, PRESIDING OFFICER
J. RANKIN, 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: 200779643

LOCATION ADDRESS: 3924 – 27 Street NE

FILE NUMBER: 74844

ASSESSMENT: \$4,580,000

This complaint was heard on July 3, 2014, at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- M. Pierson, Agent, DuCharme, McMillen and Associates Canada Ltd.

Appeared on behalf of the Respondent:

- T. Luchak, Assessor, The City of Calgary

Procedural or Jurisdictional Matters

[1] There were no preliminary or jurisdictional matters arising in this matter.

Property Description

[2] The subject property is a parcel located in Horizon which is improved upon by a single-tenant warehouse which (according to the Assessment Detail Report) is 37,286 square feet ("SF"), has a site coverage of 40.0%, was built in 1980. It is assessed using the sales comparison. The Respondent has assessed the subject property at a rate of \$121.48/SF.

[3] The subject property appears for some reason to be assessed with a slightly different area, 37,720 SF. This number appears to have been agreed upon by the parties and the area of the subject property was not an issue in this matter. The Board has therefore used the area of 37,720 SF in this decision.

Issues

[4] The Board identified the issue as follows:

1. Did the City use the correct rate for the subject property?

Complainant's Requested Value

[5] In the Complaint Form, the Complainant requested a reduced assessment of \$3,200,000. At the hearing the Complainant amended the requested value to \$3,350,000.

Board's Decision

[6] The Board reduces the assessment of the subject property to \$3,540,000.

Legislative Authority, Requirements and Considerations

[7] Section 293 of the Act requires that:

- (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.

[8] Section 4 of the *Matters Relating to Assessment and Taxation Regulation* ("MRAT") states:

- (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.

Complainant's Position

[9] The Complainant provided three sales comparables:

- (a) 3651 – 21 Street NE, with an assessable area of 36,167 SF, site coverage of 49.56%, built in 1976, and a time-adjusted sales price ("TASP") of \$84.06/SF;
- (b) 4826 – 11 Street NE, with an assessable area of 39,600 SF, site coverage of 40.76%, built in 1972, and a TASP of \$93.91/SF; and
- (c) 3650 – 12 Street NE, with an assessable area of 51,200 SF, site coverage of 45.28%, built in 1974, and a TASP of \$88.75/SF.

[10] None of the three sales comparisons are located in Horizon.

[11] The Complainant further submitted 12 equity comparisons. Two of these properties were located in Horizon, the assessable areas varied from 32,430 SF to 51,200 SF, the site coverages varied from 37.68% to 50.30%, constructed between 1972 and 1981, and with a median assessment rate of \$115.21/SF.

Respondent's Position

[12] The Respondent provided six sales comparisons. It included the first property provided by the Complainant as well as:

- (a) 1314 – 44 Avenue NE, which is multi-tenant with an assessable area of 19,129 SF, site coverage of 42.73%, built in 1974, and a TASP of \$115.08/SF;
- (b) 4413 – 11 Street NE, with an assessable area of 15,018 SF, site coverage of 31.92%, built in 1983, and a TASP of \$179.19/SF;
- (c) 2620 – 22 Street NE, with an assessable area of 23,678 SF, site coverage of 31.55%, built in 1981, and a TASP of \$136.86/SF;
- (d) 1423 – 45 Avenue NE, which is a multi-tenant with an assessable area of 37,018 SF, site coverage of 39.27%, built in 1973, and a TASP of \$124.26/SF; and
- (e) 6835 – 8 Street NE, with an assessable area of 38,577 SF, site coverage of

29.21%, built in 1990, and a TASP of \$148.24/SF.

[13] None of the properties are located within Horizon.

Reasons for Decision

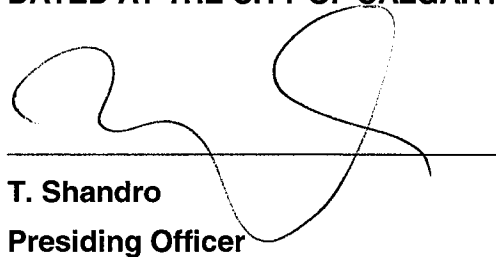
[14] The Board considered the sales comparables of the Complainant and distinguished the first and third properties. The first property (which was also provided by the Respondent) had an easily distinguishable site coverage percentage which would disproportionately affect the TASP with which to compare the subject property. The third property had an assessable area disproportionate size which made it incomparable to the subject property.

[15] The Board further distinguished the properties of the Respondent. The first three had assessable areas which were disproportionately small. The Board further distinguished the multi-tenant properties, which the Board determined would affect the sale price per SF from a single-tenant property. The last property provided by the Respondent was easily distinguishable for the date of its construction.

[16] The lone remaining property which the Board determined could be comparable to the subject property was the property located at 4826 – 11 Street NE, with a TASP of \$93.91/SF.

[17] The Board determined that the correct rate for the subject property should be \$94/SF. The Board therefore reduces the assessment value of the subject property to \$3,540,000.

DATED AT THE CITY OF CALGARY THIS 14th DAY OF August 2014.



T. Shandro
Presiding Officer

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

NO.	ITEM
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.*

For Administrative Purposes Only

Property Type	Property Sub-Type	Issue	Sub-Issue
Warehouse	Single Tenant	Sales	Land Value