



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:

Kneeshaw Holdings Ltd.
(as represented by Assessment Advisory Group Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

J. Dawson, PRESIDING OFFICER
Y. Nesry, BOARD MEMBER
P. Cross, BOARD MEMBER

This is a complaint to the 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:	543138309
LOCATION ADDRESS:	8447 23 AV NE
FILE NUMBER:	74897
ASSESSMENT:	\$4,510,000

This complaint was heard on the 13th day of August, 2014 at the office of the Calgary Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- S. Cobb Agent, Assessment Advisory Group Inc.

Appeared on behalf of the Respondent:

- T. Nguyen Assessor, The City of Calgary

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

[1] The Board derives its authority to hear this complaint under Section 460.1(2) of the Act. The Board composition is as required under Section 453(1)(c) of the Act. There are no objections from the Complainant or the Respondent with the Board as constituted, its jurisdiction or any party appearing before the Board.

[2] The Board has reviewed the complaint form and has confirmed there is a valid complaint under Section 460(5) of the Act. The Board has confirmed that the representatives before the Board have the authority to act on behalf of the Complainant and the Respondent for this complaint.

[3] The Complainant confirmed that there has not been a discussion with the Respondent about the complaint in an attempt to resolve the complaint issues prior to the hearing because of a lack of time – the Complainant did not receive authorisation from the owner to discuss the assessment in time. However, the Assessment Complaints Agent Authorisation for 2014 was signed on February 25, 2014, which the Board agrees did not provide time to discuss the assessment. The complaint was filed on February 27, 2014.

[4] There was no indication from the Respondent that information requested from the Complainant pursuant to Section 295 or 296 of the Act was not provided.

[5] The Complainant, on their complaint form, indicated that information requested from the Respondent pursuant to Section 299 or 300 of the Act was not provided; however, no details are provided to the Board and the Board was not requested to make a ruling on that matter.

[6] There are no additional preliminary, procedural, or jurisdictional issues. The merit hearing proceeded

Property Description:

[7] The subject is an industrial property containing 421,959 square feet, which is located in the northeast on the outskirts of the city in an area referred to as 'Residual Ward 5 – Sub Area 5c'. It is stratified within the Non-Residential Zone [NRZ] of EN3. There are two buildings on the subject property; 1) a warehouse built in 2001 with 37,993 square feet. There is one unit within the building, which is deemed to be a single tenant industrial warehouse. There is 7.2% office

finish with the overall building quality of 'A-'. And 2) a trailer built in 2001 with 913 square feet. There is one unit within the building. There is 100% office finish with the overall building quality of 'A-'. The site coverage is 8.89%, which is less than the typical 30%. The subject property is not serviced and an adjustment of 50% has been made to the land value.

[8] The subject is assessed using the Cost Approach to Value.

Issues:

[9] The single issue before the Board is the assessment amount with the Complainant requesting a land value of \$278,808 per acre versus the \$382,872 per acre assessment. The building value is being accepted at \$807,039.

Complainant's Requested Value: \$3,500,000

Board's Decision:

[10] The Board found the assessment value to be incorrect and reduced the assessment to \$3,900,000.

Legislative Authority, Requirements, and Considerations:

The Municipal Government Act

Revised Statutes of Alberta 2000 Chapter M-26

Interpretation

1(1) In this Act,

(n) "market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

Position of the Parties

Complainant's Position:

[11] The Complainant presented ten sales originally; however, realised that two were not comparable and presented eight sales comparable properties. The result is a median of \$557,615 per acre. This value is reduced by 50% to recognise the lack of servicing on site. Supporting documents included (C1 pp. 13-46).

Respondent's Position:

[12] The Respondent argued that the assessment is correct, fair and equitable and should be confirmed.

The Respondent restated Complainant's ten sales comparable properties adding a Time Adjusted Sale Price [TASP] and showing the Assessment to Sales Ratio [ASR]. One of the properties has been found to be invalid because of the nominal value shown in the transfer

documents. The Respondent found a median ASR of 1.01 (R1 pp. 14-48).

[13] The Respondent provided a sales chart with 19 comparable vacant properties in the northeast quadrant. The result is a median value of \$1,010,616 per acre for properties under 3 acres, and a median of \$774,602 for properties over 3 acres. With the no service adjustment of 50% the end value is \$387,701 per acre to support the assessment (R1 p. 50).

[14] The Respondent provided a sales chart for the ES4 NRZ with 15 comparable vacant properties. The result is a median value of \$331,322 per acre. The Respondent indicated that the ES4 NRZ has sufficient sales to provide a distinct and different value; however, the NE3 NRZ of the subject has no sales activity and has been stratified with all northeast quadrant industrial property (R1 pp. 50-52).

[15] The Respondent disclosed the land use designation information for the subject to show the comparability with other northeast quadrant comparable property (R1 pp. 54-69).

[16] The Respondent showed the land value chart and the terms description for land (R1 pp. 71-72).

Board's Reasons for Decision:

[17] The Board found the map on page 52 of R1 shows that the subject is more similar in location, servicing, and amenity to ES4 properties. In contrast, there appears to be no similarity to property located adjacent to the airport and other well established industrial areas found in the northeast quadrant. The Respondent finds ES4 land to be valued at 331,322 per acre.

[18] The Board found that when the northeast sales provided by the Respondent are separated with only comparable size properties – eight acres and larger the median is \$622,001 per acre. Adjusting by the agreed 50% for lack of service arrives at a value of \$311,000 per acre.

[19] The Board finds that both non-serviced ES4 properties, which are more comparable to the subject, and the northeast quadrant sales over eight acres and adjusted by 50% support a value of \$320,000 per acre for the subject or \$3,100,800. The land value is added to the uncontested building value of \$807,039 and truncated arriving at a final assessment value of \$3,900,000.

DATED AT THE CITY OF CALGARY THIS 19th DAY OF September 2014.



Jeffrey Dawson
Presiding Officer

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

NO.	ITEM
1. C1a – 23 pages	Complainant Disclosure
2. C1b – 24 pages	Complainant Disclosure
3. R1 – 75 pages	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.*

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouse	Single Tenant	Cost Approach	Land & Improvement Comparables