



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:

SREIT (WEST NO. 1) Ltd. (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:	097004501
LOCATION ADDRESS:	4216 61 AV SE
FILE NUMBER:	74915
ASSESSMENT:	\$15,060,000

This complaint was heard on the 15th 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. Greer (City of Calgary)
- 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 that all evidence, argument and discussion from Hearing 74475 and the Complainant's Rebuttal (C-2) from Hearing 73932 would be carried forward to this hearing.

Property Description:

- [6] The subject property is a 9.54 acre parcel located in the Foothills Industrial community in SE Calgary. The site is improved with a 250,112 square foot (sf) multi tenanted industrial warehouse [IWM] that was constructed in 1976 and is considered to be C quality. The warehouse contains 251,112 sf of assessable building area, has 3% finish and 60.17% site coverage.

Issues:

- [7] 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 in excess of its market value for assessment purposes."

Complainant's Requested Value: \$12,048,000
\$11,040,000 (Hearing)

CARB's Decision:

- [8] The 2014 assessment is confirmed at \$15,060,000.

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: What is the market value of the subject property for assessment purposes?

Complainant's Position:

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

[10] The Complainant, on page 11, provided a table that contained details of the sales of two properties that were the subject properties in Hearing 74475 and Hearing 73932, respectively. The comparables are located at 6810 40 ST SE and 7120 Barlow TR SE. The Complainant submitted that the subject property had been used as an equity comparable to 7120 Barlow TR SE in 2010 and so it would follow that 7120 Barlow TR SE would be a good comparable to the subject property in 2014. The Complainant, noting that the time adjusted sale price per square foot (TASP/SF) for the sale of 7120 Barlow TR SE was \$43.99, requested that rate be applied to the subject property assessment, which would result in a market value of \$11,046,485 (\$11,040,000 rounded).

Respondent's Position:

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

[12] The Respondent submitted that the subject property is assessed at the rate of \$60 psf because there are no sales of Industrial warehouse properties at a rate below \$60 psf.

[13] The Respondent, on page 24, provided a table titled 2014 Industrial Sales Chart. The table contains details of the sales of four comparables that sold in the period July 27, 2011 and December 28, 2012. The TASP/SF ranged from \$61.46 to \$131.37. The Respondent noted that the best sale comparable is located at 3916 72 AV SE and it sold with a TASP/SF of \$61.46 while the subject property is assessed at the rate of \$60.00 psf.

Complainant's Rebuttal Position:

[14] The Complainant's Rebuttal Disclosure is labelled C-2 (Hearing 73932).

[15] The Complainant, on page 3, provided a table titled Altus Response to City Sales. The Complainant submitted that:

the sale at 4545 54 AV SE should not be used as a comparable as it is not valid because it was part of a portfolio sale.

the sale at 7504 30 ST SE should not be used as a comparable as it is not valid because it was part of a portfolio sale.

the sale at 7403 30 ST SE should not be used as a comparable as it is not valid because it was a leaseback sale.

the indicated sale price of \$16,700,000 for the sale of 7120 Barlow TR SE cannot be relied on, as the purchaser indicated it was a non-arms length corporate transfer.

CARB's Findings:


[16] The Complainant's comparable at 6810 40 ST SE should not be used as a comparable because it was not in typical condition at the time of the sale.

[17] The Complainant's comparable sale at 7120 Barlow TR SE occurred in 2009, and is dated.

CARB's Reasons for Decision:

[18] The Respondent's sale comparables are more compelling evidence than the Complainant's time adjusted sale price of 7120 Barlow TR SE that occurred in 2009.

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. C2 (Hearing 73932)	Complainant Rebuttal
4. C1 (Hearing 74475)	Complainant Disclosure
5. R1 (Hearing 74475)	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.*

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Property Type	Property Sub-Type	Issue	Sub-Issue
Warehouse	Multi Tenant	Market Value	