



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:

Canbar Steel Fabricators 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:	119003002
LOCATION ADDRESS:	9216 44 ST SE
FILE NUMBER:	75008
ASSESSMENT:	\$4,830,000

This complaint was heard on the 12th 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 January 29, 2014, which seems to provide ample 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 204,786 square feet, located in the southeast community of South Foothills. It is stratified within the Non-Residential Zone [NRZ] of FO2. There are three buildings on the subject property: 1) built in 1974 with 25,752 square feet. There is one unit within the building, which is deemed to be single tenanted (IWS). There is 12.4% office finish with the overall building quality deemed to be a 'C'. 2) built in 1974 with 624

square feet. There is one unit within the building, which is deemed to be single tenanted (IWS). There is 100% office finish with the overall building quality deemed to be a 'C'. 3) built in 1980 with 7,742 square feet. There is one unit within the building, which is deemed to be single tenanted (IWS). There is no office finish with the overall building quality deemed to be a 'C+'. The overall site coverage is 16.66%, which is deemed to be less than the typical 30%.

[8] The subject is assessed using the Direct Sales Comparison Approach to Value.

Issues:

[9] The single issue before the Board is the assessment amount with the Complainant requesting a value of \$127 per square foot versus the \$142 per square foot assessment.

Complainant's Requested Value: \$4,330,000

Board's Decision:

[10] The Board found the assessment value to be correct at \$4,830,000 and confirmed the assessment.

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 argued that the assessment of the subject is incorrect and fails to meet the legislated standard of Market Value and also fails to meet the requirements for equity in assessment.

[12] The Complainant presented three sales comparable properties and used the three sales with another four properties to arrive at seven equity comparable properties. The result is a median of \$119.36 per square foot for the sales and a median of \$128 per square foot on an equity basis. The Assessment to Sales Ratio [ASR] of the three sales range from 1.06 to 1.21. Supporting documentation is provided (C1 pp. 10-38).

Respondent's Position:

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

confirmed.

[14] The Respondent reported the subject property has 2.14 acres of excess land, which has adjusted the final value. This excess land value, which is not disclosed, impacts on the value per square foot of the buildings. In addition, the three buildings are assessed individually with one building being an outbuilding at \$10 per square foot (R1 p. 9).

[15] The Respondent restated the Complainant's sales comparable properties with a Time Adjusted Sale Price [TASP], which compared to the assessments produced an ASR range of 1.08 to 1.21 (R1 p. 18).

[16] The Respondent restated two of the Complainant's equity comparable properties to show that when compared by individual buildings on site are comparable given the variance in site coverage and office finish. The Respondent provided the '2014 Assessment Explanation Supplement' for four equity comparable properties to show the level of comparability (R1 pp. 19-23).

[17] The Respondent provided a sales chart with seven single building comparable properties. Three compared to one building within the subject and four compared to another building. There are no comparable buildings provided for the outbuilding. The TASP per square foot value of the buildings showed the subject is assessed favourably (R1 p. 25).

[18] The Respondent showed a sales chart with two multiple building comparable properties. One comparable has two buildings showing a value per square foot of \$238.89. The other comparable has four buildings showing a value per square foot of \$133.03. (R1 p. 26).

[19] The Respondent disclosed property details of the comparable properties as support to its analysis (R1 pp. 27-48).

Board's Reasons for Decision:

[20] The Board is not persuaded by the argument and evidence of the Complainant. The comparable properties provided by the Complainant are dissimilar in almost every respect and do not provide guidance to the Board in reviewing the assessment. The Respondent's multiple building comparable properties showed the substantial valuation variance of each building.

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 – 19 pages	Complainant Disclosure
2. C1b – 20 pages	Complainant Disclosure
3. R1 – 53 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	Sales Approach	Land & Improvement Comparables