



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:

POCKAR HOLDINGS LTD.
(represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

M. CHILIBECK, PRESIDING OFFICER
G. MILNE, BOARD MEMBER
R. KODAK, 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: 033002502

LOCATION ADDRESS: 4528 – 6A ST NE

FILE NUMBER: 75090

ASSESSMENT: \$1,890,000.

This complaint was heard on 10th day of June, 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:

- *M. Robinson, Agent of Altus Group*

Appeared on behalf of the Respondent:

- *M. Hartmann, Property Assessor of the City of Calgary*

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

[1] Neither party raised any objections to any member of the Board hearing the subject complaint

[2] Neither party raised any procedural or jurisdictional matters.

Preliminary Matter:

[3] Neither party raised any preliminary matter(s).

Property Description:

[4] The subject property is a developed parcel of industrial land with 0.55 acres, designated Industrial-General (I-G) and improved with one multi-bay (IWM) warehouse building (4 units) constructed in 1972. The assessed building area is 12,000 sq. ft. and has 28.8% finish. The building footprint area is 12,000 sq. ft. for site coverage of 50.15%.

[5] The subject is located at the southeast corner of 6A ST and 45 AV in Greenview Industrial Park (west of Deerfoot Trail and south of McKnight AV) located in the northeast quadrant of the City of Calgary.

Issues:

[6] The Complainant identified the matter of the assessment amount under complaint on the complaint form and attached a schedule listing several reasons (grounds) for the complaint. At the outset of the hearing the Complainant identified the following issue:

- 1) The subject property is in excess of its market value for assessment purposes.
 - i. The aggregate assessment per square foot applied to the subject property does not reflect market value when using the direct sales comparison approach.

Complainant's Requested Value: \$1,270,000.

Board's Decision:

[7] Change the assessment to **\$1,440,000**.

Legislative Authority, Requirements and Considerations:

[8] The Composite Assessment Review Board (CARB) derives its authority from Part 11 of the Act:

Section 460.1(2): Subject to section 460(11), 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).

[9] For purposes of the hearing, the CARB will consider section 293(1) of the Act:

In preparing the 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*

[10] The Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA section 293(1)(b). The CARB consideration will be guided by MRAT, Part 1, Standards of Assessment, Mass Appraisal, section 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*
- (c) must reflect typical market conditions for properties similar to that property*

Assessment Background:

[11] The subject property is assessed by using the direct sales comparison method at an aggregate rate of \$157.95 per sq. ft. of assessable building area.

[12] The subject property has 12,000 sq. ft. of building area assessed at \$1,890,000.

Position of the Parties

Complainant's Position:

[13] The Complainant provided three sale comparables in NE Calgary (C1P15) which have an aggregate median time adjusted sale price of \$106.25 per sq. ft of building area in support of their claim the subject is assessed in excess of its market value.

[14] The comparables have a time adjusted sale price (TASP) range from \$82.27 to \$115.08 per sq. ft., assessable building area from 12,000 to 19,129 sq. ft., AYO (actual year of construction) of 1963 to 1978, site coverage (SC) of 42.7 to 53.9% and finish from 17 to 29%.

[15] The Complainant placed most weight on the median TASP of \$106.25 per sq. ft. and selected the best comparable to be 224-40 AV with a TASP of \$106.25 per sq. ft. and requested that the subject assessment be reduced accordingly to \$1,270,000.

[16] Three assessment equity comparables were provided of multi-tenant properties in Greenvue Industrial Park with TASP's ranging from \$122.96 to \$144.90 per sq. ft. of building area, all lower than the subject, in support of the requested reduction.

[17] In rebuttal, the Complainant re-capped the Respondent's four sale comparables (C2P4), one of which is in common with the Complainant and calculated the median TASP for the six sales at \$122.56 per sq. ft. and the average TASP at \$118.38 per sq. ft. and argued this supports a reduction of the subject assessment.

[18] CARB decision 72777P-2013 on the subject property was referenced by the Complainant and noted that in this case the Complainant used two of the three Complainant's comparables and one of the five Respondent's comparables. The Respondent used one of the five Respondent's comparables and one of the three Complainant's comparables. The Board in this decision reduced the assessment based on finding the Complainant's sale comparables to be compelling and noted that the sale comparable at 224-40 AV NE, a single tenant property, was the most comparable.

Respondent's Position:

[19] The Respondent provided four sale comparables in NE Calgary (R1P18), one of which is in common with the Complainant. The TASP's range from \$106.25 to \$138.64 per sq. ft. with a median at \$134.02. The common sale comparable at 224-40 AV has a TASP of \$106.25 and when questioned by the Board could not clarify why it has a significantly lower TASP than the other three comparables. .

[20] A chart of four assessment equity comparables (R1P20) in Greenvue Industrial Park in NE Calgary was provided by the Respondent, one of which, 4616-6A ST, is in common with the Complainant. The assessment rate per sq. ft. ranges from \$122.61 to \$152.64 per sq. ft. of building area, all lower than the subject.

Board's Reasons for Decision:

[21] The Board reviewed the sales comparables from both parties and placed little weight on four sale comparables.

[22] Sale comparable at 1314-44 AV is 59% larger in building area than the subject and located in McCall Industrial, an inferior location compared to Greenvue.

[23] Sale comparable at 423-38 AV is 24% larger than the subject and has the lowest TASP at \$93.39 per sq. ft. versus the other five comparables.

[24] Sale comparable at 4015-2 St is 26% smaller in building area and 16 years older than the subject.

[25] Sale comparable at 4605-12 ST is 14% larger, has 47% more finish than the subject and is located in McCall Industrial, an inferior location compared to Greenview.

[26] The Board finds the two remaining sale comparables, 224-40 AV and 216-40 AV, to have the most similar characteristics to the subject. Both comparables have the same building area, have high site coverage, located in the same area and are located in close proximity to the subject.

[27] The average TASP of these two comparables is \$120 per sq. ft. of building area and the Board changes the assessment accordingly.

[28] The Board finds the assessment equity comparables from both parties support a reduction in the subject's assessment. The assessed rates range from \$122.96 to 152.64 per sq. ft., all lower than the subject's assessed rate of \$157.95 per sq. ft.

[29] The Board notes the ASR's of the Respondent's four sale comparables (C2P4) where in three instances the range is from 1.075 to 1.20, indicating the assessments are in excess of the TASP's. This data persuaded the Board to place more weight on the sale comparables than the equity comparables.

[30] The Board's decision is to change the assessment to \$1,440,000.

DATED AT THE CITY OF CALGARY THIS 16th DAY OF JULY 2014.



M. CHILIBECK

Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	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.*

CARB Identifier Codes

Decision No. 75090P-2014			Roll No. 033002502	
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Industrial	Multi Tenant	Sales Approach	Market Rate

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