



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:

Morrison Enterprises Inc. (as represented by MNP LLP), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

K. Thompson, PRESIDING OFFICER
A. Wong, BOARD MEMBER
G. Milne, BOARD MEMBER

This is a complaint to the Calgary 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:	201772761
LOCATION ADDRESS:	7225 108 Av SE
FILE NUMBER:	75131
ASSESSMENT:	\$2,590,000

This complaint was heard on 13th day of August, 2014 at the office of the Assessment Review Board located at Floor Number 3 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- Y. Lau *Agent, MNP LLP*
- J. Langelaar *Agent, MNP LLP*

Appeared on behalf of the Respondent:

- J. Tran *Assessor, City of Calgary*

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

[1] No procedural or jurisdictional issues were brought forward. The Board continued with the merits of the complaint.

Property Description:

[2] The subject property is a single bay industrial warehouse located at 7225 108 Av SE in the East Shepard Industrial Park. This property has been classed as A2 and is assessed as having a total of 9,692 square feet (sf) of building, constructed in 2011 on a 1.25 acre parcel.

[3] The subject property is assessed using the sales comparison method of valuation and has a rate of \$267.47 per square foot (psf).

Issues:

[4] The value of the property would better reflect market if it were based on a rate psf of \$199.00 psf, revised in rebuttal to \$231.00 psf.

Complainant's Requested Value: \$2,230,000

Board's Decision:

[5] The assessment is confirmed at \$2,590,000.

Legislative Authority, Requirements and Considerations:

[6] Section 460.1(2) of the Act provides that, 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).

Position of the Parties**Complainant's Position:**

[7] The Complainant presented data on three comparable industrial property sales, all in southeast industrial parks [C1, pp.13-14]. The sales all occurred in 2011 and 2012 and their size range exceeded the subject property's size. The Complainant stated that there was no issue with the Respondent's time adjustments for the sale properties and all sales were selected from the list of sales provided to them by the City (the list of sales used by the Respondent to develop the valuation model for this class of properties). The time adjusted sale prices ranged between \$193.00 psf and \$208.00 psf with a median of \$197.00 psf and a mean of \$199.00 psf.

[8] Supporting RealNet sale documents were included [C1, pp.24-30] along with the City's 2014 Assessment Information Package [C1, pp.32-54].

[9] The Complainant included the 2013 CARB decision for the subject property for the Board's consideration.

Respondent's Position:

[10] The Respondent presented a 2014 Industrial Sales chart with details on four sales comparables from southeast industrial parks [R1, p. 25]. The sales occurred from 2010-2013 and the time adjusted sale prices ranged between \$254.09 psf to \$306.39 psf with a median of \$278.63 psf. The size range bracketed the subjects building and land area. The Respondent stated that this supported the subject's \$267.47 psf rate, as assessed.

[11] The Respondent noted that the subject property has excess land, and explained that it is not deemed sub dividable and therefore no additional adjustment was made to the property value.

[12] The Respondent noted that the Complainant's comparables were all 50% larger than the subject, all with large variations in site coverage.

Complainant's Rebuttal

[13] The Complainant presented information on the Respondent's comparable sale at 4334 110 Av SE. Included was a block face map of the area, the RealNet sale document and the Assessment Summary sheets of the three properties adjacent to this property. The Complainant contends that the subject property was purchased as a last parcel in a land assembly, as all surrounding parcels are owned by the subject parcels purchaser. The Complainant stated that this indicates reason for a motivated sale, and should not be used as a comparable.

[14] The Complainant added three of the Respondent's sales to its analysis (excluding the sale at 4334 110 Av SE) and arrived at a new value request. The sales ranged between \$193.00 psf and \$278.00 psf with a median of \$231.00 psf. This rate results in the Complainant's \$2,230,000 value request.

Board's Reasons for Decision:

- [15] The Board will limit its comments to the relevant facts pertaining to this case.
- [16] The Subject property seems to be a reasonable representation of assessment class and equitable to the surrounding properties. Nothing unique or underperforming was brought forward with regards to this particular property. This subject's placement in this zone was not challenged by the Complainant. The Board reviewed the evidence provided by both parties, and both the Complainant and the Respondent used the sales comparison approach to value this property.
- [17] In review of all the sales comparables the Board finds that it agrees with the Respondent that there would be less weight placed on the Complainant's comparables that are 50% larger than the subject. The Board also finds no conclusive evidence of a land assembly or premium paid for the Respondent's comparable sale at 4334 110 Av SE. The Board finds insufficient evidence to reduce the value of the subject property.
- [18] The Board notes that while it is not bound by previous Board Orders, it did consider those that were submitted (for general principles); this decision is based on the evidence before this Board.
- [19] The subject property value is confirmed.

DATED AT THE CITY OF CALGARY THIS 11th DAY OF September 2014.



K. Thompson

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.*

Property Type	Property Sub-Type	Issue	Sub issue
industrial	Warehouse multi	Value/comparables	