



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:

1415 Realty Ltd. (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:	201583572
LOCATION ADDRESS:	1415 28 St NE
FILE NUMBER:	75283
ASSESSMENT:	\$6,150,000

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:

- B. Brocklebank *Assessor, City of Calgary*

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

[1] The Complainant and Respondent asked to carry over testimony, questions, summary and argument from file 74386 with respect to the additional five properties placed into evidence. No additional procedural or jurisdictional issues were brought forward. The Board continued with the merits of the complaint.

Property Description:

[2] The subject property is a multi bay, multi tenant industrial warehouse located at 1415 28 St NE in the Meridian Industrial Park. This property has been classed as a C and is assessed as having five units in a total of 36,954 square feet (sf) of building, constructed in 1970 on a 4.43 acre parcel. There is a related account associated with this property that is exempt from taxation. That account in the assessed amount of \$674,300 is not under complaint.

[3] The subject property is assessed using the sales comparison method of valuation and has a rate of \$133.20 per square foot (psf).

Issues:

[4] The value of the property would better reflect market if it were based on a rate psf of \$117.00 psf.

Complainant's Requested Value: \$3,720,000

Board's Decision:

[5] The assessment is confirmed at \$6,150,000.

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 stated that the subject property, along with the adjoining 3.47 acre parcel of land (1245 28 St NE), sold together on December 16, 2010 for a sale price of \$6,125,000. The Complainant stated that it had no issue with the Respondent's time adjustments for the sale properties and used the Respondent's time adjustment of 12.13% to bring the sale price to the July 1 valuation date. The Complainant then presented data on the combined subject and adjacent property's 2014 assessments, sale price, time adjusted sale and assessment to sale ratio (ASR)[C1, p.14]. The ASR was calculated to be 1.37. The Complainant claimed this showed the two properties are over assessed.

[8] To arrive at the market value for the subject property the Complainant deducted the assessed value for the vacant land from the time adjusted sale price to arrive at a value of \$4,317,963 for the subject property, or \$117 psf. The Complainant included the RealNet document for the subject property's sale. In questioning, the Complainant stated that the land assessment for the adjacent vacant parcel was calculated by multiplying the land rate by the area of the parcel and deducting 25% to account for the tracks that intersect the property. No documentation was produced to show this was a reasonable market value for this property or that this was the 2014 assessed value for the vacant parcel.

[9] The Complainant asked to have its second argument removed from the evidence [C1, pages 15-16 and 28-37].

[10] The Complainant included the subject property's 2012 CARB decision for the Board's consideration.

[11] The Complainant included five additional Property Assessment Summary Reports of sales used in the City's analysis for the industrial model, however failed to provide any relation to the subject property or value conclusion.

Respondent's Position:

[12] The Respondent presented a 2014 Industrial Sales Chart and reviewed the details of five sales comparables from northeast and southeast industrial parks [R1, p. 51]. The sales occurred from 2011-2013 and the time adjusted sale price ranged between \$173.81 psf to \$221.56 psf and the median was \$199.17 psf. The Respondent stated that this supported the subject's \$184.73 psf rate.

[13] Supporting RealNet and Land Titles documents for the comparable sales were provided [R1, pp. 55-97], along with the City's 2014 Industrial land rates [R1, p. 100].

[14] The Respondent testified that there were no adjustments for train tracks for this parcel, nor were there any adjustment for the properties in this area. Train Track adjustments were only given to properties in the Downtown and Beltline market areas. The Respondent also noted

that the on-site train track was abandoned or not used.

[15] The Respondent also provided four equity comparables, having a range in assessed value of approximately \$183.00 psf to \$286.00 psf with a median of \$216.00 psf, stating that again this supports the subject property's value [R1, p. 53].

[16] A number of CARB and MGB decisions were included for the Board's consideration.

[17] The Respondent provided data for the five additional properties in the Complainant's evidence, however was unclear of their purpose so made no further comments.

Board's Reasons for Decision:

[18] The Board will limit its comments to the relevant facts pertaining to this case.

[19] Both the Complainant and the Respondent used the sales comparison approach to value this property.

[20] The Board reviewed the method of calculating the subject property's value and was not convinced that the value attributed to the adjoining parcel), which would affect the residual sale value attributed to the subject property), was reasonable or substantiated. No evidence was brought forward to show the Board that the derived value of the adjacent parcel was market or that the adjustments made to this parcel (- 30% for train tracks) were market driven. The Board was not given any evidence on the adjacent parcel, not even assessment information and the 2014 Assessment of this property on C1, p. 14 was in fact, a calculation by the Complainant. The Board cannot accept this calculation at face value.

[21] The Board noted that the sale on the subject property was not used in the City's analysis as this was a sale of two properties with no value attributed to the individual properties.

[22] The Board reviewed the comparable sales and equity charts from the Respondent, and determined that there was evidence that the subject property was valued at market and was equitable with similar properties. It was noted that the subject had an 'additional land' adjustment and when its value was compared to other parcels with additional land, it seemed reasonable. The subject property value is confirmed.

[23] 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.

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 (omitted pages 15-16, 28-37 from C1 evidence at hearing)
2. R1	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.*

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