



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:

***DUNDEE 29 ST. INC.,
(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: 031018591

LOCATION ADDRESS: 3520 – 29 ST NE

FILE NUMBER: 75594

ASSESSMENT: \$9,200,000.

This complaint was heard on 11th 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:

- *N. Domenie, Property Assessor of the City of Calgary*
- *G. Foty, 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 3.02 acres, designated Industrial-General (I-G) and improved with one multi-bay (IWM) warehouse building (9 units) constructed in 1998. The assessed building area is 65,019 sq. ft. and has 55% finish. The building footprint area is 47,750 sq. ft. for site coverage of 36.32%.
- [5] The subject is located at the northeast corner of 29 ST and 34 AV in Horizon Industrial Park (east of Barlow 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 of building area applied to the subject property does not reflect market value when using the direct sales comparison approach.

Complainant's Requested Value: \$8,510,000.

Board's Decision:

[7] Change the assessment to **\$8,510,000**.

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 section 293(1)(b) of the Act. 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 \$141.51 per sq. ft. of assessable building area.

[12] The subject property has 65,019 sq. ft. of building area assessed at \$9,200,000.

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

[13] The Complainant provided three sale comparables in NE Calgary (C1P16) which have an aggregate median time adjusted sale price of \$131 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 \$104 to \$138 per sq. ft., assessable building area from 42,504 to 99,000 sq. ft., AYOC (actual year of construction) of 1998 to 2006, site coverage (SC) of 41 to 49% and finish from 10 to 19%.

[15] The Complainant argued that the comparables support their claim that the subject's assessment should be reduced to \$131 per sq ft.

[16] In rebuttal, the Complainant re-capped the Respondent's seven sale comparables (C2P4), three of which are in common with the Complainant and calculated the median TASP at \$138 per sq. ft. and the average TASP at \$140 per sq. ft.

[17] Excluding the three SE comparables, the Complainant calculated the median TASP at \$131 per sq. ft. and the average TASP at \$130 per sq. ft. and argued the four NE comparables support a reduction of the subject's assessment.

[18] Calgary CARB decision 70282P-2013 regarding 2808-Hopewell PL NE was referenced by the Complainant and argued that in this case the Board accepted the sale of the subject as a strong indicator of the subject's market value and found that the TASP of the subject's sale is the best indicator of its market value.

[19] The Complainant provided a sales report for 2808-Hopewell PL which shows that it sold together with 2765-48 AV as one transaction.

[20] The Complainant provided a copy of the Respondent's "Non-residential Industrial Sales July 2010-June 2013" lists which shows the Respondent used both properties in their analysis for the 2014 assessment. The list shows a TASP for the property at 2765-48 AV at \$21,428,550 and for the property at 2808-Hopewell PL at \$8,435,350.

[21] The Respondent's sales lists regarding 2765-48 AV shows an incorrect TASP, it should be \$12,543,475 as shown on the Respondent's sale comparisons chart.

Respondent's Position:

[21] The Respondent provided seven sale comparables (R1P21), three of which are in common with the Complainant, with a range of TASP's from \$103.54 to \$183.71, with a median at \$137.95 and an average TASP at \$139.73. The Respondent asserted these comparables support the subject's assessment rate.

[22] Of the four additional comparables provided by the Respondent, two are located in NE Calgary and two are located in SE Calgary and one comparable is a multi-bay property and three are single-bay properties.

[23] The Respondent advised the Board that industrial property in SE Calgary is valued less than property in NE Calgary and in this case the TASP's of the SE comparables are higher than the NE comparables.

[24] The Respondent drew the Board's attention to the average and median building area, AYOC, SC and finish of the seven comparables of 66,409 and 64,318 sq. ft., 2001 and 2002, 38.1% and 41.47% and 18% and 18% respectively and asserted these characteristics are similar to the subject and support the subject's assessment rate of \$141.51 per sq. ft.

Board's Reasons for Decision:

[25] The Board reviewed the sales comparables from both parties and placed most weight on one sale comparable, 2808-Hopewell Pl. with a TASP of \$131.15 per sq. ft.

[26] The Board was not convinced by the Complainant's argument to accept the median of \$131.15 the three comparables. The comparable at 901-57 AV is 52% larger than the subject and has a SC of 11% greater. The comparable at 2559-29 ST is 35% smaller than the subject and has a SC of 13% greater.

[27] The comparable at 2808-Hopewell is most similar in building area of 64,318 sq. ft. (1% smaller than the subject) and SC of 41.47% (within 5% of the subject) with a TASP of \$131.15 per sq. ft. (R1RP21).

[28] The Board placed little weight on the Respondent's comparables because they are not sufficiently similar to the subject.

[29] Comparable at 2765-48 Av is 51% larger than the subject and has 15% more site coverage.

[30] Comparable at 6835-8 ST is 40% smaller than the subject and eight years older than the subject.

[31] Comparable at 6900-112 AV is located in SE Calgary is 11% smaller than the subject and has 22% less site coverage. It has the highest TASP at \$183.71. The Board considered this comparable to be an outlier and was provided no explanation why this property sold at the price or why it was assessed accordingly.

[32] Comparable at 120121-44 ST is located in SE Calgary, significantly distant from the subject.

[33] The Board's decision is to change the assessment to \$8,510,000 based on \$131 per sq. ft. of assessable building area.

DATED AT THE CITY OF CALGARY THIS 23rd 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. 75594P-2014			Roll No. 031018591	
<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

FOR MGB ADMINISTRATIVE USE ONLY