



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:

1134853 Alberta 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:	070027602
LOCATION ADDRESS:	411 19 St SE
FILE NUMBER:	75834
ASSESSMENT:	\$6,210,000

This complaint was heard on 11th 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:

- M. Hartmann *Assessor, City of Calgary*

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

[1] No procedural or jurisdictional issues were brought forward. The Complainant and Respondent asked that the testimony, questions and summary with respect to the five additional assessment summary pages be carried over from file 74386. 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 411 19 St SE in Mayland Industrial Park. This property has been classed as a C- and is assessed as having three units in a total of 52,766 square feet (sf) of building, constructed in 1969 on a 4.00 acre parcel.

[3] The subject property is assessed using the sales comparison method of valuation and has a rate of \$117.80 per square foot (psf).

Issues:

[4] The value of the property would better reflect market if it were based on a rate of \$108.00 psf.

Complainant's Requested Value: \$5,690,000

Board's Decision:

[5] The assessment is reduced to \$5,690,000.

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 six comparable industrial property sales, in northeast and southeast industrial parks [C1, pp.12-13]. The sales occurred in 2012 and 2013 and their size range bracketed the subject property. The Complainant stated that it had no issue with the Respondent's time adjustments for the sale properties and all sale comparables were selected from the list provided by the Respondent (referencing the list of valid sales used by the Respondent to develop the valuation model for this type of property). The time adjusted sale price psf ranged between \$101.00 psf and \$137.00 psf with a median of \$108.00 psf and a mean of \$114.00 psf. The Complainant stated that this supports its request for the subject property's value to be calculated at a rate of \$108.00 psf.

[8] Supporting RealNet sale documents were included [C1, pp.23-40] along with the 2014 Assessment Information package provided by the City [C1, pp.42-57].

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

Respondent's Position:

[10] The Respondent presented a 2014 Industrial Sales Chart [R1, p.40] and reviewed the details on four sales comparables from northeast and southeast industrial parks noting that three of these sales were used by the Complainant. The sales occurred in 2012 and 2013 and the time adjusted sale price ranged between \$107.00 psf to \$139.20 psf. The size range bracketed the subjects building and land area and the median was \$118.59 psf. The Respondent stated that this supported the subject's \$117.80 psf rate.

[11] Supporting documents for the four sales were provided [R1, pp. 41-46].

[12] The Complainant, in its rebuttal, stated that the sale at 4015 8 St SE was a non arms length sale and provided the sale documents to support this [C2].

[13] The Respondent also provided six equity comparables chart having a range in assessed value of \$106.31 psf to \$118.10 psf to further support the assessed value [R1, p. 48].

[14] The Respondent included the 2013 CARB decision for the subject property for the Board's consideration, confirming the assessment.

[15] 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:

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

[17] 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. Both the Complainant and the Respondent used the sales comparison approach to value this property and three sales were common to both analyses.

[18] The Board notes that the subject property's rate per square foot value on the Complainant's chart is incorrect and will use the value of \$117.80 psf from the subject property's assessment document.


[19] In review the sales comparables from both parties, the Board agree that the Respondent's comparable sale at 4015 8 St SE should be removed as it is clearly a non arms length transaction. This reduces the Respondent's analysis down to the three sale properties that are common to both the Complainant's and Respondent's analyses and the revised median rate is \$108.51 psf.

[20] The Board accepted the three common sales as reasonable comparisons to the subject, having some similar characteristics to the subject and finds the median of these sales (\$108.00 psf) the best indicator of value for the subject property.

[21] 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.

[22] The subject property's rate will be reduced to \$108.00 psf.

DATED AT THE CITY OF CALGARY THIS 15th 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	