



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:

363991 Alberta Limited.
(as represented by Assessment Advisory Group Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. Griffin, PRESIDING OFFICER
A. Huskinson, BOARD MEMBER
J. Lam, BOARD MEMBER

This is a complaint to the Composite 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: 048072904

LOCATION ADDRESS: 2299 - 20 Avenue NE

FILE NUMBER: 75844

ASSESSMENT: \$2,600,000.

This complaint was heard on 20th 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:

- S. Cobb (Agent - Assessment Advisory Group Inc.)

Appeared on behalf of the Respondent:

- J. Tran (Assessor – City of Calgary)

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

[1] There were no matters related to Procedure or Jurisdiction brought forward by either party.

Property Description:

[2] According to the Property Assessment Detail Report (Exhibit C1, pg. 5) the subject property is a single tenanted industrial property that consists of two buildings, both of which are 'B' quality and were built in 1996. The smaller of the two is 6,000 Sq. Ft. and the larger is 10,750 Sq. Ft. The smaller building is considered to be an outbuilding and is assessed at a nominal \$10/Sq. Ft. The underlying site is 1.03 acres in size. The property assessment has been estimated through application of the Sales Comparison Approach.

Issues:

[3] The Complainant brought forward the following issue to be considered by the CARB:

- 1) The Complainant contends that the assessed value of the subject property is too high and is not representative of market value nor is it equitable compared to similar properties.

Complainant's Requested Value: \$1,370,000. (Revised at the Hearing)

Board's Decision:

[4] The Assessment is **Confirmed** at **\$2,600,000**.

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

[5] The Complainant introduced (Exhibit C1 pg. 11) their Equity and Sales Comparable Analysis Chart providing three equity comparables and six sales comparables. The equity comparables are all located in the northeast region of the city. One of the properties is a 'B' quality, one is a 'C+' and one is 'C' quality. The original years of construction are 1966, 1995 and 1980. The building sizes range from 17,534 Sq. Ft. to 30,588 Sq. Ft. and the percentage of finished area varies from 14.10% to 51.70%. The assessed rates of these comparables ranges from \$124/Sq. Ft. to \$150/Sq. Ft. with an indicated Median of \$147/Sq. Ft. of building area.

[6] The 6 sales comparables are all also located in the northeast region of the city. The quality rating of these properties are 'C', 'C+' or 'C-' and the original years of construction range from 1965 to 1981. The building sizes range from 10,184 Sq. Ft. to 23,678 Sq. Ft. and the percentage of finished area ranges from 11.20% to 40.60%. These properties were reported sold between October 2010 and November 2012. The selling price/Sq. Ft. ranges from \$94 to \$158 with an indicated Median of \$123/Sq. Ft. of building area. This information forms the basis for the Complainant's request that the assessed value of the subject property be reduced.

Respondent's Position:

[7] The Respondent noted that the Complainant's Sale Comparable #4 located at 3536 – 27th Street NE is not a valid sale for comparison purposes as the parties involved are related and provided support for this contention in the form of a Non Residential Property Sale Questionnaire (Exhibit R1 pgs. 13 - 16) which clearly indicates same. The Respondent then introduced their own Sales Chart (Exhibit R1 pg. 19) which summarizes 2 sales, both of which are located in northeast and one of which is essentially next door to the subject. These properties have building areas of 7,842 Sq. Ft. and 13,000 Sq. Ft. as compared to the subject with 10,750 Sq. Ft. The site sizes are 0.98 acres and 0.71 acres versus the subject with 1.03 acres. Both properties were reported sold in June of 2012 and the Time Adjusted Sales Price (TASP) indications are \$259 and \$219/Sq. Ft. of building area which indicate a Median of \$239/Sq. Ft.

[8] The Respondent also introduced (Exhibit R1 pg. 20) their Equity Chart giving the assessment summaries of 3 properties, all of which are located in the northeast. These comparable properties compare very favourably with the subject property in terms of: land size, building size, year of construction, percentage of finished area and site coverage. The assessed rates of these properties indicate a Median of \$254/Sq. Ft. Based on this information together with the sale comparables provided, the Respondent maintains there is no justification to changing the assessed value of the subject property and requests the CARB confirm same.

Board's Reasons for Decision:

[9] The CARB agrees with the Respondent that the Complainant's sale comparable located at 3536 – 27 St. NE should not be given consideration as it was a non arms-length transaction.

The Board finds it problematic that the Complainant makes no adjustments to any of the sales even though one of same dates back to 2010. The CARB also questions the comparability of 'C' quality buildings to the subject which is a 'B' quality. Given the difference in quality it is not surprising to the Board that the assessed values of the 'C' quality buildings are less than the subject.

[10] The Respondent only presented two sales comparables and the CARB notes that one of them has a commercial Land Use Designation which is very different than the I-Gen (Industrial General) Land Use Designation of the subject and, accordingly, did not give this comparable much weight. Conversely, the CARB finds the equity comparables presented by the Respondent to be superior to those of the Complainant in terms of the comparability of a number of the individual property components. In the final analysis the CARB finds the evidence of the Respondent to be more compelling than that of the Complainant and is of the judgment that, based upon the evidence of the Complainant no adjustment to the current assessed value is warranted. Accordingly the assessment is confirmed.

DATED AT THE CITY OF CALGARY THIS 10th DAY OF September 2014.



C. J. Griffin,
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure Part 1
2. C1A	Complainant Disclosure Part 2
3. 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.*

CARB Identifier Codes

Decision No. 75844P-2014			Roll No. 048072904	
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Industrial	Industrial	Market Value	Equity

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