



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:

***NGC Compression Solutions Ltd..
(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: 024005506

LOCATION ADDRESS: 5120 - 6 Street NE

FILE NUMBER: 76045

ASSESSMENT: \$4,840,000.

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. 7) the subject property is an industrial property that consists of two low-rise office buildings on a single 3.37 acre site. The smaller of the two buildings is a 7,518 Sq. Ft., 'C' quality structure that was originally constructed in 1980. The aforementioned building is 100% finished. The larger of the two buildings is a 14,060 Sq. Ft., 'B' quality structure that was originally constructed in 2001. This building is reportedly unfinished in terms of office space. 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 reflective of market value and it is not equitable compared to similar properties.

Complainant's Requested Value: \$4,200,000. (Revised at the Hearing)

Board's Decision:

[4] The Assessment is **Confirmed** at **\$4,840,000.**

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

[5] The Complainant introduced (Exhibit C1 pg. 13) their Sales Comparable Analysis Chart providing the summaries of 7 sales of properties deemed similar which sold between August 2010 and April 2013. The properties are located in Greenview Industrial Park and/or McCall Industrial Park, both of which are located in northeast Calgary. The building sizes range from 12,000 Sq. Ft. to 39,600Sq. Ft. and the finished percentage range from 3.00% to 67.10%. The original year of construction ranges from 1958 to 1983. Although not indicated on the chart, the Complainant advised the Board, verbally, that the site sizes range from 0.43 acres to 2.23 acres and the site coverage factor range from 31.90% to 53.90% with a Median of 40.80%. To account for the significant difference between the site coverage of the subject (14.70%) and the Median of the comparable properties the Complainant, as indicated at the bottom of the chart, has applied a 10% increase to the requested assessed value. These sales form the basis for the Complainant's request to reduce the assessed value.

Respondent's Position:

[6] In their *Summary of Testimonial Evidence* (Exhibit R1 pg. 3), the Respondent indicated that they would concentrate on the fact that the Complainant failed to make any adjustments for such factors as time, site coverage and age to any of their sales comparables. The Respondent also indicated to the Board that they will present their own, properly adjusted sales comparables in support of the current assessed value.

[7] The Respondent introduced (Exhibit R1 pg. 13) their Site Coverage Adjustment chart which, using 3 of the Complainant's sales comparables, shows how the adjustment should have been made to the Time Adjusted Sales Price (TASP) as opposed to the arbitrary adjustment applied by the Complainant.

[8] The Respondent further introduced (Exhibit R1 pg. 15) their Sales Chart which provides the summary of 4 property sales deemed similar to the subject. These properties, all of which are located in northeast Calgary, have site sizes that range from 0.71 acres to 3.66 acres, building sizes ranging from 7,842 Sq. Ft. to 22,177 Sq. Ft. and site coverage ranging from 12.60% to 22.50%. The Median parcel size is indicated to be 2.05 acres, the Median building size is 16,543 Sq. Ft. and the Median site coverage is 15.74%. The sales of these properties were recorded between October 2011 and October 2012. Having applied the necessary adjustments the TASP for these sales ranges from a low of \$203 to a high of \$259/Sq. Ft. of building area with a Median of \$220/Sq. Ft. and a Mean of \$224/Sq. Ft. The Respondent suggests that this information provides strong support for the current assessed value and requested that the CARB make no adjustment to the assessed value.

Board's Reasons for Decision:

[9] The Complainant uses sales comparables which are all in the 'C' or 'D' quality classification as opposed to the subject which is a 'B' quality classification which the Board finds somewhat problematic. Additionally the Complainant makes no time adjustments to the sales

and provided no explanation to explain their arbitrary 10% adjustment to the requested value to account for the site size differential.

[10] 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. 76045P-2014			Roll No. 024005506	
<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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