



## 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:

***ALLAN YELLIN & ALCO HOLDINGS LTD.  
(as 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: 031003502**

**LOCATION ADDRESS: 3639 - 27 ST NE**

**FILE NUMBER: 76086**

**ASSESSMENT: \$2,760,000.**

This complaint was heard on 9th 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:

- *G. Foty, Property Assessor of the City of Calgary*
- *M. Hartmann, 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:**

- [7] The subject property is a developed parcel of industrial land with 1 acre, designated I-G and improved with one multi-bay/tenant warehouse building constructed in 1979. The assessed building area is 16,170 sq. ft. and has 78% finish. The building footprint area is 10,100 sq. ft. for site coverage of 23.08%.
- [8] The subject is located on 27 ST and south of 37 AV in the Horizon Industrial Park located in the northeast quadrant of the City of Calgary.

**Issues:**

- [9] 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 applied to the subject property does not reflect market value when using the direct sales comparison approach.

**Complainant's Requested Value: \$2,260,000.**

**Board's Decision:**

[10] Confirm the assessment at \$2,760,000.

**Legislative Authority, Requirements and Considerations:**

[11] 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).*

[12] 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*

[13] The Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA section 293(1)(b). 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:**

[14] The subject property is assessed by using the direct sales comparison method at an aggregate rate of \$170.75 per sq. ft. of assessable building area.

[15] The subject property has 16,170 sq. ft. of building area assessed at \$2,760,000.

**Position of the Parties**

**Complainant's Position:**

[16] The Complainant provided two sale comparables (C1P15) of multi-tenant properties in NE Calgary which sold at a time adjusted sale price (TASP) of \$139.66 and \$181.67 per sq. ft of building area in support of their claim the subject is assessed in excess of its market value.

[17] The comparables have a assessable building of 14,535 and 18,024 sq. ft., AYOC (actual year of construction) of 1979 and 1980, site coverage (SC) of 26 and 24% and finish of 29 and 64%.

[18] The Complainant placed most weight on one sale, 3516-26 ST, with a TASP of \$139.66 per sq. ft., assessable building area of 14,535 sq. ft., AYOC of 1979, SC of 26% and finish of 29%.

[19] The Complainant requested that the subject property be assessed at \$140 per sq. ft. of building area.

[20] In rebuttal, the Complainant re-capped the five sale comparables of the Respondent and argued that the five single tenant properties, one of which is located in SE Calgary should not be used as comparables to the subject. It was asserted that the Respondent values multi-tenant (# of units) property at a higher rate than single-tenant property and property located in SE Calgary is generally valued at a lower value than property located in NE Calgary.

#### **Respondent's Position:**

[21] The Respondent provided five single-tenant sale comparables (R1P18) which together with the Complainant's two multi-tenant sale comparables have a median TASP of \$181.67 and average TASP of \$182.67 per sq. ft. of building area.

[22] The Respondent's five comparables are single-tenant properties of which one is located in southeast Calgary.

[23] It was argued by the Respondent that the seven sales support the assessment of the subject and that it is unreasonable to rely on one sale to infer a value on a similar property.

#### **Board's Reasons for Decision:**

[24] The Board reviewed the sale comparables from both parties and finds that one comparable from the Complainant at 2801-18 ST and two from the Respondent at 5535-11 St and 4413-11 St are similar to the subject in the characteristics of assessable area, AYOC (actual year of construction) and SC (site coverage).

[25] The Board calculated the average TASP for the three comparables to be \$184.70 per sq. ft.

[26] However, the Board placed most weight on the Complainant's comparable which is a multi-tenant building, very similar in AYOC, SC and finish with a TASP of \$181.67 per sq. ft.

[27] The Board placed less weight on the Respondent's two comparables because they have significantly less finish at 14 and 3% than the subject at 78%.

[28] The Board accepts the argument that multi-tenant property generally sells for more than single-tenant properties. However, the Board understands from the arguments presented by both parties that single tenant or multi tenant properties with less than 90,000 sq. ft. of building area sell at a similar value, all other characteristics being similar. Therefore the Board gave this characteristic little weight in this case.

[29] The Board's decision is to confirm the assessment at \$2,760,000.

DATED AT THE CITY OF CALGARY THIS 16<sup>th</sup> DAY OF JULY 2014.

  
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M. CHILIBECK

Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
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

<b>Decision No. 76086P-2014</b>			<b>Roll No. 031003502</b>	
<b><u>Complaint Type</u></b>	<b><u>Property Type</u></b>	<b><u>Property Sub-Type</u></b>	<b><u>Issue</u></b>	<b><u>Sub-Issue</u></b>
CARB	Industrial	Multi Tenant	Sales Approach	Market Rate

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