



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:

ENERFLEX LTD.
(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: 031014293

LOCATION ADDRESS: 3615 – 34 ST NE

FILE NUMBER: 76098

ASSESSMENT: \$9,640,000.

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 5.48 acres, designated Industrial-General (I-G) improved with one single-bay/unit warehouse building and one outbuilding.
- [5] The warehouse building, with one unit, was constructed in 1994. The assessed building area is 73,163 sq. ft. and has 27.5% finish. The building footprint area is 63,100 sq. ft. for a site coverage at 26.44%.
- [6] The outbuilding was constructed in 1996 and has an assessable area of 1,500 sq. ft.
- [7] The subject is located on 34 ST in between 34 AV and 37 AV in Horizon Industrial Park located in the northeast quadrant of the City of Calgary.

Issues:

- [8] 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 sq. ft. of building area applied to the subject property does not reflect market value when using the direct sales comparison approach.

Complainant's Requested Value: \$8,120,000.

Board's Decision:

[9] Confirm the assessment at **\$9,640,000**.

Legislative Authority, Requirements and Considerations:

[10] 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).

[11] 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

[12] 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:

[13] The subject property is assessed using the direct sales comparison method by applying an aggregate rate of \$131.63 per sq. ft. to the assessable building area of the primary building and by applying \$10 per sq. ft. to the assessable area of the outbuilding.

[14] The subject property, which has 73,163 sq. ft. of primary assessable building area and 1,500 sq. ft. of outbuilding area, are assessed at \$9,640,000.

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

[15] The Complainant provided two sale comparables, of which one is a multi-tenant/bay property and one is a single-tenant/bay property, in NE Calgary (C1P14) which have a Time Adjusted Sale Price (TASP) of \$104 and \$119 per sq. ft. of building area in support of their claim the subject is assessed in excess of its market value.

[16] The comparables have an assessable building area of 99,000 and 118,402 sq. ft., AYOOC (actual year of construction) of 2000 and 1997, site coverage (SC) of 47 and 42%, finish of 19 and 9% and TASP of \$104 and \$119 per sq. ft. of building area.

[17] The Complainant requested that the subject be assessed at \$111 per sq. ft. of building area.

[18] In rebuttal the Complainant re-capped the Respondent's six sale comparables (C2P4), of which two are in common with the Complainant, and drew the Board's attention to one sale, 7504-30 ST SE/3916-61 AV SE, and asserted these comparables should be excluded because they are part of a Canada-wide portfolio sale and located in SE Calgary. A copy of two sale reports was provided in support of the fact that these properties were part of a portfolio sale.

[19] The Complainant also drew the Boards attention to another comparable located in SE Calgary and the sales of multi-tenant properties.

[20] The Complainant argued that the multi-tenant properties should not be used as comparables to the subject because the Respondent values multi-tenant properties at a higher rate than single-tenant properties.

[21] The average TASP of the four NE comparables is \$123 per sq. ft. of building area and the Complainant asserted this supports his claim for a reduced assessment.

Respondent's Position:

[22] The Respondent provided six sale comparables of multi-bay and single-bay properties from NE and SE Calgary (R1P24), two of which are in common with the Complainant. Three comparables are single-bay properties and three are multi-bay properties. Two comparables are in SE Calgary and four are in NE Calgary.

[23] The Respondent agreed that one comparable, 7504-30 ST SE should be excluded because it is a portfolio sale.

[24] The average TASP of the five comparables is \$127.61 and the median TASP is \$131.35 per sq. ft. of building area. The Respondent asserted this supports the assessed rate of the subject at 131.83 per sq. ft.

[25] The Respondent argued that the sale of 12012-44 ST SE should not be excluded even though it is located in SE Calgary. It is similar to the subject and its TASP is \$146 per sq. ft.

Board's Reasons for Decision:

[26] The Board reviewed the Complainant's comparables and finds they are 61% and 35% larger than the subject, have 16% and 21% more site coverage and have 18% and 8% less finish. The Board finds these comparables not sufficiently similar to the subject.

[27] The Board reviewed the Respondent's comparables and finds they are 42% and 12% smaller than the subject, have 23%, 15% and 17% more site coverage and have 17%, 13% and 5% less finish. The Board finds these comparables not sufficiently similar to the subject.

[28] According to the photos provided (R1P15), the Board notes the subject building is constructed in two parts; the warehouse portion with an extremely high wall height and a two story office node which is similar to a suburban office building. The photos of the subject in comparison to the pictures on the complainant's sale reports appear to show the subject to be of a significantly better quality. Also, the Board notes the Assessment Detail Report shows the subject as "B" quality warehouse.

[29] The Board also noted that the picture on the sale report for one of the Respondent's comparables, 2559-29 ST NE, appears to be of similar quality and design as the subject which has a TASP of \$138 per sq. ft. An Assessment Summary Report was not provided by the Respondent to show the quality rating for this comparable.

[30] Based on the foregoing explanation, the Board's decision is to confirm the assessment at \$9,640,000.

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. 76098P-2014			Roll No. 031014293	
<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

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