



## **Calgary Assessment Review Board**

### **DECISION WITH REASONS**

In the matter of the complaints against the property assessments as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

**between:**

***BIKM HOLDINGS LTD., (as represented by Colliers International Realty Advisors Inc.),  
COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***BOARD CHAIR, T. Hudson PRESIDING OFFICER  
BOARD MEMBER, I. Fraser  
BOARD MEMBER, G. Milne***

This is a complaint to the Calgary Assessment Review Board in respect of the property assessments prepared by the Assessor of The City of Calgary and entered in the 2014 Assessment Roll as follows:

**ROLL NUMBER: 054007406**

**LOCATION ADDRESS: 610 Moraine RD NE**

**FILE NUMBERS: 76684**

**ASSESSMENT: \$2,400,000**

The complaint was heard on the 28th day of July, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Board room 10.

Appeared on behalf of the Complainant:

- *Mr. T. Howell, Agent, Colliers International Realty Advisors Inc.*
- *Mr. K. Keast, Property Owner*

Appeared on behalf of the Respondent:

- *Mr. B. Brocklebank, Assessor, City of Calgary*

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

[1] There were no procedural or jurisdictional matters in dispute between the Parties.

**Property Description:**

[2] The subject property is a 1.10 acre parcel of industrial land located at 610 Moraine RD NE in the Meridian community. In 1965, the property was improved with a "C-" quality class single tenant warehouse including assessable area of 12,872 square feet (sf.). Site coverage is 26.93% and office finish is 23%.

[3] The property is currently assessed based on the direct sales comparison approach at a unit rate of \$186.91 per square foot (psf.), to a total of \$2,405,937 or \$2,400,000 (rounded).

**Issue:**

**Assessment Amount**

[4] The Complainant contends that the assessment exceeds market value, and should be reduced using a unit rate of \$130.00 psf.

**Complainant Requested Value: \$1,670,000 (rounded)**

**Board's Decision:**

[5] **The assessment is reduced to \$1,670,000.**

**Legislative Authority, Requirements and Considerations:**

[6] 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).*

[7] For purposes of the hearing, the CARB will consider the Act Section 293(1):

*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.*

[8] The Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in the Act 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, and,*

*(c) must reflect typical market conditions for properties similar to that property.*

### **Position of the Parties**

#### **Complainant**

[9] The Complainant initially submitted an analysis of seven sales, including the sale of the subject with a unit rate range of \$80.62 psf. to \$158.26 psf. and a mean of \$123.33 psf., in support of a requested unit rate of \$125 psf., (Exhibit R1, page 23).

[10] The Complainant subsequently time adjusted the sale prices based on the Respondent's methodology, and calculated a median rate of \$127.37 psf., (Exhibit C2, page 5).

[11] The Complainant then revised the requested unit rate to \$130.00 psf., for the subject property assessment.

[12] The Complainant observed that the subject property sold during the valuation period on June 22, of 2011, for a time adjusted sale price of \$1,659,458, or \$128.92 psf.

[13] The Complainant also submitted CARB 71556P-2013 where the Board found the sale of the same subject property to be the best evidence of market value.

[14] The Complainant also argued that because one of the sales submitted by the Respondent was transacted in 2010, it is a dated sale and should be excluded from the analysis.

#### **Respondent**

[15] The Respondent submitted an analysis of six sales, not including the sale of the subject, with a range of unit rate values from \$173.81 psf. to \$299.55 psf. and a mean of \$202.81 psf., in support of the assessed unit rate value of \$186.91 psf. for the subject property, (Exhibit R1, page 41).

[16] The Respondent commented that the sale of the subject may not have been a typical market sale, although there was no evidence to indicate that the sale was not valid.

[17] The Respondent noted that the Complainant's sale located at 423 38 AV NE, is zoned IR which restricts use and is therefore not comparable to the subject, (Exhibit R1, page 39)

[18] The Respondent recalculated the median of the Complainants sale values to be \$157.00 excluding the IR zoned sale, which in their view supports the assessed value.

[19] The Respondent also submitted a chart of six assessment equity comparables with unit rates ranging from \$178.37 psf. to 203.25 psf., (Exhibit R1, page 43).

**Board's Reasons for Decision:**

[20] The Board concurs with the findings of CARB 71556P-2013, that the time adjusted sale price of the subject property remains the best evidence of market value for 2014.

[21] The Board was not convinced that the subject property should be considered typical and comparable to either the sale or equity comparables submitted by the Respondent.

DATED AT THE CITY OF CALGARY THIS 25 DAY OF August 2014.



T. B. Hudson

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. C2	Complainant Rebuttal
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.*

**For MGB Administrative Use Only**

<i>Decision No. 76684</i>			<i>Roll No. 054007406</i>	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Warehouse	IWS	Market Value	Sale of the Subject