



## **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:**

***AERO METAL INTERNATIONAL INC., (as represented by Colliers International Realty Advisors Inc.), COMPLAINANT***

**and**

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

**before:**

***PRESIDING OFFICER, T. Hudson  
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 NUMBERS: 032509226, 032509168, 032509184, and 032509200**

**LOCATION ADDRESS: Unit 1, 13, 9, and 5, 2139 Pegasus Way NE**

**FILE NUMBERS: 76716, 76714, 76718, and 76723**

**ASSESSMENTS: \$451,000, \$1,200,000, \$361,500, and \$330,500.**

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.*

Appeared on behalf of the Respondent:

- *Mr. N. Domenie, 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.
- [2] The Parties advised, that although this property assessment complaint consists of four roll numbers and complaint files, all of the evidence, argument and rebuttal have been disclosed in the context of complaint file #76716.
- [3] The Parties requested, and the Board agreed, to hear all of the evidence, argument, and rebuttal for all four complaints in the context of complaint file #76716; and to apply the information in the decisions for file #76714, #76718, #76723, and #76716.

**Property Description:**

- [4] The subject property is a four unit "B" quality class industrial condominium constructed on a 0.71 acre land parcel in 1998, at 1, 13, 9, and 5, 2139 Pegasus WY NE. Unit 1 includes 2,290 square feet (sf.) of net rentable area; Unit 13, 6,981 sf.; Unit 9, 1,781 sf.; and Unit 5, 1,607 sf.
- [5] The property is currently assessed based on the direct sales comparison approach.
- [6] The assessment of Unit 1 is calculated based on \$196.94 psf. to a total of \$451,000 (rounded); Unit 13, at \$171.90 psf. to a total of \$1,200,000 (rounded); Unit 9, at \$202.98 psf. to a total of \$361,500 (rounded); and Unit 5, at \$205.66 psf. to a total of \$330,500 (rounded).

**Issue:**

**Assessment Amount**

- [7] The Complainant contends that the assessment of each Unit exceeds market value with the exception of Unit 13, and should be reduced using a rate of \$182.91 psf.

**Complainant Requested Value:** Unit 1, \$419,000 (rounded); Unit 13, confirmed at \$1,200,000 (rounded); Unit 9, \$326,000 (rounded); and Unit 5, \$294,000 (rounded).

**Board's Decision:**

- [8] The current assessment of each of the units is confirmed.

**Legislative Authority, Requirements and Considerations:**

[9] 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).*

[10] 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.*

[11] 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**

[12] The Complainant initially submitted an analysis of four sales with a unit rate range of \$127.70 psf. to \$193.42 psf. with a mean of \$163.38 and median of \$166.21psf., in support of a requested unit rate of \$165 psf. for the subject property assessments, (Exhibit C1, page 20).

[13] The Complainant subsequently time adjusted the sale prices based on the Respondent's methodology, and calculated revised median of \$182.91psf., and mean of \$185.82 psf., (Exhibit C2, page 4).

[14] The Complainant then revised the requested unit rate to \$182.91 psf., for the subject property assessments.

[15] The Complainant observed that three of the seven market sales submitted by the Respondent are much newer and therefore poor comparables to the subject. Also, one of seven sales occurred in the Central industrial region while the subject is in the NE.

[16] The Complainant also argued that because two of the seven market sales submitted by the Respondent were transacted in 2010, they should be excluded from the analysis.

**Respondent**

[17] The Respondent submitted an analysis of seven sales in support of the assessed values for each of the units in the subject property. The Respondent also submitted a graph plotting the time adjusted sale prices for 31 properties constructed within 5 years of the subject property, and depicting the diminishing returns based on the size of the property and time adjusted sale price per square foot, (Exhibit R1, page 37).

[18] The Respondent argued that the sales comparables of the Complainant were larger than the subject with no adjustment for the size difference or degree of finish in each of the units.

[19] The Respondent noted that three of the property sales submitted by the Complainant were much older than the subject, and not comparable without adjustment.

**Board's Reasons for Decision:**

[20] The Board was not convinced by the Complainant that their evidence had produced an assessment estimate that reflects the 2014 market value of the subject property.

[21] The market sales submitted by the Complainant were both larger and older properties than the subject, and not comparable without significant adjustment.

DATED AT THE CITY OF CALGARY THIS 2<sup>nd</sup> DAY OF September 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. 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 Nos. 76716, 76714, 76718, 76723 P-2014</i>			<i>Roll Nos. 032509226, 032509168, 032509226, and 032509200</i>	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Warehouse	Condo units	Market Value	Sales