



## **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:**

**665217 B.C. Ltd.**

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

**and**

**The City Of Calgary, RESPONDENT**

**before:**

**B. Horrocks, PRESIDING OFFICER**

**T. Livermore, 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:

<b>ROLL NUMBER:</b>	<b>093161305</b>
<b>LOCATION ADDRESS:</b>	<b>4887 35 ST SE</b>
<b>FILE NUMBER:</b>	<b>76956</b>
<b>ASSESSMENT:</b>	<b>\$3,200,000</b>

This complaint was heard on the 7th day of August, 2014 in Boardroom 6 at the office of the Assessment Review Board located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- T. Howell (Colliers International Realty Advisors Inc.)

Appeared on behalf of the Respondent:

- J. Ermube (City of Calgary)

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

- [1] There were no concerns with the Composite Assessment Review Board (CARB) as constituted.
- [2] The parties have visited the site.
- [3] The parties have not discussed the file.
- [4] There were no preliminary matters. The merit hearing proceeded.

**Property Description:**

[5] The subject property is a 1.80 acre parcel located in the Golden Triangle community in SE Calgary. The site is improved with a 15,214 square foot (sf) single tenanted warehouse [IWS] that was constructed in 1991 and is classified as B quality. The warehouse has an assessable area of 17,664 sf, 28.0% finish and site coverage of 19.37%.

[6] For the 2014 tax year the subject property is assessed at a rate of \$181.32 per square foot (psf) using the Sales Comparison Approach to Value.

**Issues:**

[7] An assessment amount was identified on the Assessment Review Board Complaint Form as the matter that applies to the complaint. At the outset of the hearing, the Complainant advised that there was one outstanding issue, namely; market value.

**Complainant's Requested Value:** \$2,784,000 (Complaint Form)  
\$2,830,000 (Hearing)

**CARB's Decision:**

- [8] The 2014 assessment is confirmed at \$3,200,000.

**Legislative Authority, Requirements and Considerations:**

The CARB derives its authority from the Act, Section 460.1:

- (2) *Subject to section 460.1(1), 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).*

The Act requires that:

293(1) *In preparing an 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.*

Matters Relating to Assessment and Taxation Regulation (MRAT) requires that:

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.*

4(1) *The valuation standard for a parcel of land is*

- (a) *market value, or*  
(b) *if the parcel is used for farming operations, agricultural use value*

**CARB's Decision in Respect of Each Matter or Issue**

**Issue:** What is the market value of the subject property, for assessment purposes?

**Complainant's Position:**

[9] The Complainant's Disclosure is labelled C-1.

[10] The Complainant submitted that within the size range of the subject property there are no comparable sale transactions of 'B' quality industrial warehouses.

[11] The Complainant, on page 18, provided a table titled Colliers Direct Sales Analysis – 'A' Quality Comparable Properties (Time Adjusted). The table contains sale details of four comparable properties that occurred in the period May 26, 2011 to June 12, 2012. The time adjusted sale price per square foot (TASP/sf) ranged from \$165.73 to \$192.32. The median TASP/sf was \$178.30.

[12] The Complainant, on page 18, provided a table titled Colliers Direct Sales Analysis – 'C' Quality Comparable properties (Time Adjusted). The table contains sale details of three comparable properties that occurred in the period September 27, 2011 to January 18, 2013. The TASP/sf ranged from \$128.55 to \$160.53. The median TASP/sf was \$133.27.

[13] The Complainant submitted that a fair and equitable assessment of the subject 'B' quality property would fall between the 'A' quality and the 'C' quality comparables, in support of its requested assessment at the rate of \$160.00 psf.

**Respondent's Position:**

[14] The Respondent's Disclosure is labelled R-1.

[15] The Respondent, on page 15, reproduced the information from the Complainant's seven sale comparables in a table format noting that: the properties at 3656 61 AV SE and 3160 118 AV SE are both IWM while the subject is IWS, the property at 8950 Innovation AV SE is zoned Direct Control while the subject is zoned I-G, the property at 2625 58 AV SE has actual year of construction (AYOC) of 1975 while the subject AYOC is 1991 and the property at 3815 9 ST SE has AYOC of 1962 and it is located in the Central region while the subject AYOC is 1991 and it is located in the SE region.

[16] The Respondent submitted that the Complainant's three best sale comparables are located at 11079 72 ST SE, 4318 110 AV SE and 2625 58 AV SE. The Respondent submitted that the median TASP/sf for those three sales is \$190.78 while the subject is assessed at the rate of \$181.32 psf.

[17] The Respondent, on page 18, provided a table titled 2014 Industrial Sales Chart. The table contains sale details of five comparable properties that occurred in the period November 30, 2011 to September 18, 2012. The properties are all IWS, all I-G and all located in the SE. The comparables are similar in size, finish and site coverage to the subject property. The TASP/sf ranged from \$141.57 to \$254.09. The median TASP/sf was \$185.91. The Respondent noted the subject is assessed at the rate of \$181.32.

**Complainant's Rebuttal Position:**

[18] The Complainant's Rebuttal is labelled C-2.

[19] The Complainant submitted that the Respondent has used comparables from a broader size range than it used. Further, the sale at 4550 35 ST SE should be considered an outlier because it is significantly smaller than the subject and the sale at 4415 72 AV SE is not comparable because it is much larger than the subject.

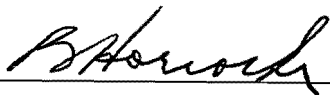
**CARB's Findings:**

[20] Removing the Respondent's two sales identified by the Complainant as not being comparable does not change the result. The median TASP/sf of the three remaining sale comparables is \$185.91.

**CARB's Reasons for Decision:**

[21] The sale comparables from the Respondent are superior to the sale comparables from the Complainant. The sale comparables from the Respondent support the assessment.

DATED AT THE CITY OF CALGARY THIS 22<sup>nd</sup> DAY OF August 2014.



B. Horrocks

Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant Rebuttal 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.*

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<b>Property Type</b>	<b>Property Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
<i>Warehouse</i>	<i>Single Tenant</i>	<i>Market Value</i>	<i>Sales Comparison</i>