



## 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:

***PBA Land Development Ltd. (as represented by MNP LLP), COMPLAINANT***

and

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

before:

***Board Chair, J. Zezulka  
Board Member, D. Morice  
Board Member, P. McKenna***

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: 112107750**

**LOCATION ADDRESS: 6908 - Farrell Road SE**

**FILE NUMBER: 74342**

**ASSESSMENT: \$2,180,000**

This complaint was heard on the 29th day of July, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *G. Langelaar, Agent, MNP LLP*
- *Y. Lau, Agent, MNP LLP*

Appeared on behalf of the Respondent:

- *J. Tran, Assessor, City of Calgary*
- *T Nguyen, Assessor, City of Calgary*

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

There were no procedural or jurisdictional matters raised by either party.

**Property Description:**

(1) The subject is a single tenant warehouse property located in the Fairview Industrial community of SE Calgary. The building has an assessable area of 9,200 square feet (s.f.). The building was built in 1963. The finish ratio is 13.0 per cent. The land area is 1.06 acres. The land is designated I-G. Site coverage is 20.00 per cent.

(2) The property is currently being assessed by the sales comparison approach. The Complainant does not dispute the method of valuation. However, the current assessment reflects a rate of \$237.05 per s.f. The Complainant contends that that rate is not equitable with similar properties, and that the rate does not properly reflect market values.

**Complainant's Requested Value:** \$2,030,000., or \$1,840,000.

**Board's Decision:**

(3) The assessment is reduced to \$2,030,000.

**Legislative Authority, Requirements and Considerations:**

(4) This Board derives its authority from section 460.1(2) of the Act.

(5) Section 2 of Alberta Regulation 220/2004, being the Matters Relating to Assessment and Taxation Regulation (MRAT), states as follows;

*"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"*

(6) Section 467(3) of the Act states;

*"An assessment review board must not alter any assessment that is fair and equitable, taking into consideration (c) the assessments of similar property or businesses in the same municipality."*

(7) For purposes of this Complaint, there are no extraneous requirements or factors that require consideration.

(8) The Board notes that the assessment has increased slightly from \$1,930,000 in 2013, to \$2,180,000 in 2014.

### **Position/Evidence of the Parties**

(9) The Complainant submitted four sales comparables that reflected selling prices from \$192 to \$233 per s.f. Comparable building sizes are 7,800 to 12,000 s.f.. The average selling price is \$227.00 per s.f.. It is from these comparables that the Complainant arrived at the request of \$2,030,000.

(10) The Complainant also submitted three equity comparables, all on Farrell Road SE. Assessments ranged from \$153 to \$254 per s.f. The median and average appear at \$196 and \$201 per s.f.. The Complainant adopted \$201 per s.f. to arrive at the alternate request of \$1,840,000.

(11) The Respondent submitted an industrial sales chart containing four industrial sales in support of the assessment. Time adjusted per s.f. prices range from \$191.67 to \$232.57 per s.f. The median and average appear at \$221.40 and \$216.76 per s.f., both of which are lower than the subject's current assessment.

(12) The Respondent also submitted five equity comparables. These reflected assessments from \$216.17 to \$273.97 per s.f. The median is \$251.36 per s.f. All except one had an interior finish ratio significantly higher than the subject. The comparable with a similar interior finish ratio to the subject is assessed at \$216.17 per s.f.

(13) Two of the Respondent's equity comparables had site coverage ratios of 12.94 and 9.65 per cent. These reflected assessments of \$273.97 and \$264.07 per s.f.

### **Findings and Reasons for Decision:**

(20) The comparable sales submitted by the Respondent fail to support the existing assessment. Similarly, the Respondent's equity comparables are not convincing.

(22) The Complainant presented four sales comparables into evidence. These comparables might not be any more comparable to the subject than the Respondent's data. However, they do provide a basis for the Complainant's request.

(23) The onus of proving that an assessment is incorrect lies with the individual alleging it. The onus rests with the Complainant to provide convincing evidence to justify a change in the assessment. In the assessment complaint process, every opportunity is provided to both parties to present evidence and arguments in support of their positions.

(24) Once the Complainant has provided sufficient evidence and argument to cast doubt on the existing assessment, the onus shifts to the Respondent to prove that the assessment is correct. The Board finds that the Complainant has provided sufficient evidence and argument to shift the burden to the Respondent, and the Respondent has not supported the assessments as being correct..

DATED AT THE CITY OF CALGARY THIS

2

DAY OF September, 2014.

Presiding Officer

  
Jerry Zezulka

### **APPENDIX "A"**

#### **DOCUMENTS PRESENTED AT THE HEARING AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
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- |    |                           |
|----|---------------------------|
| 1. | C1 Complainant Submission |
| 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.*

(c)

**For MGB Administrative Use Only**

Decision No. CARB 74342P/2014		Roll No. 112107750		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Single tenant warehouse	Market Value	Sales comparison	Comparables