



## **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

***Sun Life Assurance Company of Canada***  
***(as represented by MNP LLP), COMPLAINANT***

and

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

before

***L. Yakimchuk, PRESIDING OFFICER***  
***R. Deschaine, BOARD MEMBER***  
***R. Roy, 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 2013 Assessment Roll as follows:

**ROLL NUMBER:** 009020702  
**LOCATION ADDRESS:** 6732 8 St NE  
**FILE NUMBER:** 71109  
**ASSESSMENT:** \$14,030,000

This complaint was heard August 21, 2013 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:

- *J. Langelaar, MNP LLP*

Appeared on behalf of the Respondent:

- *M. Hartmann*
- *E. Wu*

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

- [1] There were no procedural or jurisdictional matters.

**Property Description:**

- [2] The subject property has been assessed as a single building, multi-tenant 11,501 square foot (sf) Industrial Warehouse built in 1990. The building was constructed on 9.65 Acres (A) of land with 26.52% site coverage and 1.12 A of Extra Land. The property has been assessed, using Sales Comparisons, at \$125.87/sf.

**Issues:**

- [3] Is the assessment of the subject property supported by Sales?

**Complainant's Requested Value: \$12,930,000.**

**Board's Decision:**

- [4] The Board confirms the assessment at \$14,030,000.

**Legislative Authority, Requirements and Considerations:**

The Composite Assessment Review Board (CARB) derives its authority from the Municipal Government Act (MGA) RSA 2000 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).

For the purposes of this hearing, the CARB will consider MGA Section 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) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

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.

and MRAT Section 4(1), which states that

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.

### **Position of the Parties**

#### **Complainant's Position:**

[5] The Complainant, J. Langelaar, MNP LLP, argued that the City of Calgary TASP (Time Adjusted Sale Price) Analysis (R1 Appendix B) indicated that in the final period (December 2011 to June 2012) there was downward movement in the SARs (Sales to Assessment Ratios) which indicated that Sales Values were moving down. The City of Calgary has been calculating that the SARs were at 0% change in this period. In the Rebuttal document (C2 p3) MNP LLP attempted to address this issue by applying a -3.83% adjustment for the period December 1, 2011 to June 30, 2012.

[6] The Complainant argued that the subject building was overassessed and presented four proposed Comparable properties ranging in size from 86,875 sf to 143,154 sf and in Approximate Year of Construction (AYOC) from 1981 to 1999. Subsequently the Complainant removed the proposed sale at 903 – 28 St NE from the list because the Respondent demonstrated that it was part of a portfolio sale. Median TASP for the remaining three properties using City of Calgary adjustments was \$109.54/sf.

[7] The Complainant also presented documentation to support the validity of some of the Sales and to question the validity of Sales presented by the Respondent.

#### **Respondent's Position:**

[8] M. Hartmann, City of Calgary Assessor, analyzed the Complainant's Sales list and stated that the sale of 2340 – 22 St NE on May 1, 2009 occurred prior to the current assessment period parameters for comparable sales. She agreed that the portfolio sale should be removed from the list as well.

[9] The Respondent presented a list of four single Industrial Warehouse Sales with a median value of \$130.78. The Warehouses ranged in size from 98,413 sf to 118,402 sf and in AYOC from 1997 to 2006.. One of the properties (930 -64 Av SE) was on the proposed comparable list of both parties.

[10] The Respondent also defended the City of Calgary TASP Analysis, stating that the graph represented a wide variation in SARs.

**Rebuttal:**

[11] In Rebuttal, (C2 p5) the Complainant presented a revised assessment request of \$12,930,000 for the property.

[12] He also provided supporting documents to show that the City of Calgary proposed comparable sale at 2200A – 41 Av included a building with 48,000 sf of refrigerated space as well as other space for a total of 99,202 sf and was not comparable to the subject. Two of the other sales were sold together and may not have been arm's length for that reason. The only sale the Complainant accepted was the sale of 930 – 64 Av NE, which was also on the Complainant's list.

**Board's Reasons for Decision:**

[13] The Board considered the TASP analysis proposed by the Complainant and decided that the graph is intended as a visual representation of a range, not an absolute value. For this reason the Board accepted the City of Calgary TASP analysis and used the TASP values used by the Respondent.

[14] The Board considered the various Sales comparables presented in both documents. Many of the sales were excluded by either party for a variety of reasons which the Board accepted. The only unquestioned sale was 930 – 64 Av NE, which sold for a TASP of \$120.51/sf. The subject property, which has a lower site coverage and a higher rate of finish, is assessed at \$125.87/sf, which is supported by the sale.

[15] The Board confirmed the value of the subject property at \$125.87/sf .

DATED AT THE CITY OF CALGARY THIS 9<sup>th</sup> DAY OF September, 2013.

  
**Lana Yakimchuk**

**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
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.*

<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Warehouse	Multi Tenant	Sales Approach	Single building