



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

Superior Investments 2004 Ltd.
(as represented by Altus Group Ltd.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before

L. Yakimchuk, PRESIDING OFFICER
R. Kodak, BOARD MEMBER
J. Rankin, 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: 101004109

LOCATION ADDRESS: 6420 1A St SW

FILE NUMBER: 72077

ASSESSMENT: \$5,410,000

This complaint was heard July 22, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *D. Mewha, Altus Group*

Appeared on behalf of the Respondent:

- *J. Tran, City of Calgary Assessor*

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

[1] The Parties agreed that the areas of improvements as shown in document C1 were accurate.

Property Description:

[2] The subject property has been assessed as three 1966 to 1975 built, Central Calgary, Industrial Warehouses (one single tenant, two multi-tenant) and two Industrial Outbuildings with a total area of 67,019 square feet (sf) on 4.20879 Acres (A) of C-COR3 land. The aggregate assessment is \$143.71/sf.

Issues:

[3] Is the assessed value of this property equitable with other similar properties? Is the aggregate assessment equitable with the assessments of other similar properties?

[4] Does the aggregate assessment of this property reflect market value when using the direct sales comparison approach?

Complainant's Requested Value: \$3,470,000.

Board's Decision:

[5] The Board reduces the assessment to \$4,340,000.

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:

[6] The Complainant, D. Mewha, Altus, argued that the City of Calgary assesses properties with multiple buildings by using an aggregate value of individual buildings within the property and that this calculation does not accurately provide an assessment equivalent to Market Value.

[7] D. Mewha provided a list of proposed Sale comparables with similar total area to the subject property to support the Complainant's request for an assessment reduction. The Sale comparables ranged in size from 40,420 sf to 92,485 sf and in Time Adjusted Sale Price (TASP) from \$87/sf to \$123/sf. Most of the properties are in the Central industrial area of Calgary, with one C-COR rated property. The Complainant selected three properties he felt were most comparable and asked for the median Sale value of \$98/sf as the assessed value for the subject property.

[8] The Complainant argued that the subject property was assessed inequitably when compared to other properties with similar total assessable area and other similar qualities.

[9] The Complainant provided a list of proposed Equity comparable properties to the subject property with similar locations, site coverage, finish and assessable areas (C1 p24). The year of construction of the buildings ranged from 1971 to 1976 and had a range of assessments from \$98/sf to \$115/sf, with a median assessment of \$109/sf.

[10] The Complainant also stated that the assessment included an exempt portion. The value of the exempt portion and the value of the total area were calculated at \$98/sf, then the exempt portion was subtracted from the total area value for a requested value of \$3,470,000.

Respondent's Position:

[11] J. Tran, City of Calgary Assessor, argued that the Complainant had provided proposed comparable properties that were not comparable to the subject because these properties had single buildings on each lot. The subject property is a multiple building lot, with five buildings. The City of Calgary assesses multiple building properties by assessing each building separately and adding the values. The resulting value is reduced by a factor calculated for multiple buildings.

[12] The Respondent provided an Industrial Sales chart that included individual buildings which were similar to the individual buildings within the subject property. The values of the proposed comparable individual buildings supported the assessments of the subject property buildings.

[13] The Respondent presented an industrial equity chart of single multi-tenanted industrial warehouses assessed within two multiple building properties to support the assessed values of the single buildings within the subject property. The proposed comparables ranged in year of construction from 1972 to 1999, in size from 14,680 sf to 27,170 sf and in site coverage from 25.79% to 34.01%. (R1 p 19)

[14] The assessments for the Respondent's proposed comparables ranged from \$156.43/sf to \$195.87/sf.

Rebuttal:

[15] In Rebuttal, D. Mewha argued that the City of Calgary had suggested Equity comparable properties with more than one building on each site, but that in general the properties themselves were not comparable to the subject, and the buildings on the properties varied in size and other characteristics.

[16] The Complainant argued that the City of Calgary proposed Sales comparables were similar to the subject buildings only in their sizes, but not in location, site coverage, and finish. D. Mewha suggested that the four buildings which he had proposed as the best comparables were also closer in age to the subject than some of the City of Calgary proposed comparables.

Board's Reasons for Decision:

[17] The Board considered the Sales comparables presented by both the Complainant and the Respondent. The Complainant's comparables (C1 p23) were more similar to the subject than the Respondent's comparables (R1 p 15). The subject property is a multi-building property but neither party presented sales of multi-building properties. The Board decided that in the absence of valid comparable multi-building Sales, comparables with similar total area would be the most similar to the multi-building subject.

[18] The Board considered the proposed Equity comparables presented by both the Complainant and the Respondent. The Complainant presented single building comparables with similar total assessable areas, site coverages, locations and finish percentages. The Respondent presented multi building comparables. One comparable had two buildings on twice the land parcel of the subject, and one had four 1989 – 1999 buildings on 2.5 times the land parcel of the subject. The Board found the Complainant presented more similar comparables for the Equity argument.

[19] The Board accepted the City of Calgary Time Adjusted Sale Price calculations as they were explained in the Appendix (R1 p29, top half of the page). The Board also accepted the area measurements and the exempt portions as agreed to by both parties.

[20] The Board decided that the best comparable presented by the Complainant was 7130 Fisher Rd SE, which has a similar land use designation (C-COR) to the subject, is somewhat bigger but is finished 100%, and was sold at a TASP of \$123/sf.

[21] The Board reduces the 2012 assessment to a rate of \$123/sf.

DATED AT THE CITY OF CALGARY THIS 29 DAY OF August 2013.


Lana Yakimchuk

Presiding Officer

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

NO.	ITEM
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.*

Appeal Type	Property Type	Property Sub-type	Issue	Sub-Issue
CARB	Warehouse	IWM	Sales Approach	Comparables