



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:

QUINN ESTATES LTD.
(as represented by Altus Group Limited), COMPLAINANT

And

The City Of Calgary, RESPONDENT

Before:

M. Chillbeck, PRESIDING OFFICER
J. Massey, BOARD MEMBER
P. Pask, 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: 054004304

LOCATION ADDRESS: 1055 – 26 ST NE

FILE NUMBER: 73051

ASSESSMENT: \$4,720,000. Taxable

This complaint was heard on 25th day of September, 2013 at the office of the Assessment Review Board in Boardroom 6 on Floor Number 4, located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- *M. Robinson*

Appeared on behalf of the Respondent:

- *B. Brocklebank*

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

- [1] Neither party raised any objections to a member of the Board hearing the subject complaint.
- [2] Neither party raised any procedural or jurisdictional matters.

Preliminary Matter:

- [3] There were no preliminary matters.

Property Description:

- [4] The subject is a developed parcel of industrial land with 2.06 acres, designated I-G and improved with one multi-tenant warehouse building. The assessed building area is 39,060 sq. ft. and constructed in 1982. The building has 33% office finish and the parcel has 37.50% site coverage.
- [5] The subject is located at the south east corner of 10 AV and 26 ST in the community of Meridian in the north east quadrant of the City of Calgary.

Issues:

- [6] The Complainant identified several matters that apply to the complaint on the complaint form and attached a schedule listing several reasons (grounds) for the complaint. At the outset of the hearing the Complainant advised that only the matter of the assessment amount is under complaint and identified the following issue:

- 1) The subject assessment is in excess of its market value and the issue is:
 - i) Four sale comparables with a median time adjusted sale price of \$96 per sq. ft. of building area supports the claim the assessment is in excess of its market value.

Complainant's Requested Value: \$3,530,000. Taxable, per disclosure .
\$3,740,000. Taxable, amended at hearing.

Board's Decision: Change the assessment to \$3,900,000. Taxable.

Legislative Authority, Requirements and Considerations:

[7] The Composite Assessment Review Board (CARB) derives its authority from Part 11 of 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).

[8] For purposes of the hearing, the CARB will consider MGA 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*

[9] The Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA 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*
- (c) must reflect typical market conditions for properties similar to that property*

Assessment Background:

[10] The subject property is assessed by using the direct sales comparison method at an aggregate rate of \$120.84 per sq. ft. of assessable building area.

Complainant's Position:

[11] The Complainant provided four sale comparables which have an aggregate median time adjusted sale price of \$96 per sq. ft. of building area in support that the subject assessment in excess of its market value.

[12] The comparables have a net rentable area (NRA) range of 39,600 to 59,573 sq. ft., an actual year of construction (AYOC) range of 1972 to 1980, site coverage (SC) range of 35% to 41% and time adjusted sale price range of \$88 to \$108 per sq. ft. of building area. The median of the sale prices is \$96 per sq. ft. of building area.

[13] In rebuttal the Complainant provided a chart listing the Respondent's six sale comparables showing the various factors and characteristics. The Complainant argued that three of the comparables, which have a quality B (AYOC of 1990 to 1998), should be excluded from the analysis.

Respondent's Position:

[14] The Respondent provided a chart of six sale comparables, one of which is common with the Complainant, showing the various factors and characteristics for each comparable in support of the subject's assessed rate of \$120 per sq. ft.

[15] The six comparables have a NRA range of 19,129 to 59,573 sq. ft., an AYOC range of 1974 to 1998, SC of 29.21% to 42.73% and a time adjusted sale price range of \$107.89 to \$151.94 per sq. ft.

[16] The Respondent provided an assessment equity chart of seven comparable properties that have a NRA range of 30,588 to 40,540 sq. ft., AYOC range of 1977 to 1981, SC range of 30.15 to 34.87% and an assessed rate range of \$121.84 to \$125.77 per sq. ft.

Board's Reasons for Decision:

[17] The Board finds four sale comparables from the Complainant are similar to the subject in AYOC and SC. These sales have a NRA range of 39,600 to 59,573 sq. ft., AYOC range of 1972 to 1980, SC range of 35 to 41% and time adjusted price of \$88 to \$108 per sq. ft. with a median of \$96 which supports the Complainant's request.

[18] The Board agrees with the Complainant, that of the six comparables from the Respondent, three should be excluded because of AYOC of 1990 to 1998 (quality B).

[19] The best comparables before the Board are the Complainant's four comparables and two comparables from the Respondent, of which one is common with the Complainant.

[20] The five comparables have a NRA range of 19,129 to 59,573 sq. ft., AYOC range of 1972 to 1978, SC range of 36 to 43% and time adjusted range of \$88 to \$110 per sq. ft.

[21] Based on the foregoing the Board finds that \$100 per sq. ft. of building area is the correct market sale rate for the subject. This results in a taxable property assessment of \$3,900,000, truncated.

DATED AT THE CITY OF CALGARY THIS 23 DAY OF October 2013.



M. Chillibeck

Presiding Officer

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

FOR MGB ADMINISTRATIVE USE ONLY