



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:

***Calgary Industrial Properties Ltd. (as represented by Altus Group Limited),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***B. Horrocks, PRESIDING OFFICER
J. Massey, BOARD MEMBER
J. Pratt, 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:

ROLL NUMBER:	115058406
LOCATION ADDRESS:	7004 30 ST SE
FILE NUMBER:	74543
ASSESSMENT:	\$8,960,000

This complaint was heard on the 15th day of July, 2014 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. Weber (Altus Group Limited)

Appeared on behalf of the Respondent:

- I. McDermott (City of Calgary)
- J. Ermube (City of Calgary)

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

- [1] There were no concerns with the 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 5.33 acre parcel located in the Foothills Industrial community in SE Calgary. The site is improved with a 94,208 square foot (sf) multi tenanted industrial warehouse [IWM] that was constructed in 1975 and is classified as C quality. The warehouse has 94,208 sf of assessable area, 14% finish and 40.59% site coverage.

[6] The subject property is assessed at the rate of \$95.11 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 "the assessment of the subject property is not fair and equitable considering the assessed value and assessment classification of comparable properties."

Complainant's Requested Value: \$7,168,000 (Complaint Form)
\$8,350,000 (Hearing)

CARB's Decision:

- [8] The 2014 assessment is confirmed at \$8,960,000.

Legislative Authority, Requirements and Considerations:

The Composite Assessment Review Board (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: Is the subject property inequitably assessed considering the assessed value and assessment classification of comparable properties?

Complainant's Position:

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

[10] The Complainant, on page 12 provided a table titled Equity Comparables. The table contains assessment details for three equity comparables, all [IWM] and all located in Foothills. The subject property is 5.33 acres while the comparables range from 4.01 to 4.03 acres, smaller than the subject. The subject property contains 94,208 sf of assessable area while the comparables range from 71,555 sf to 77,761 sf, smaller than the subject. The subject site coverage is 40.59%, while the comparables site coverage range from 40.96% to 44.43%, higher than the subject. The Complainant noted the comparables have assessment per square foot (Asmt/sf) ranging from \$87.96 to \$90.89, with a median Asmt/sf of \$88.71. The Complainant requested the subject be equitably assessed at the rate of \$88.71 psf.

Respondent's Position:

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

[12] The Respondent, on page 10, provided a table titled 2014 Industrial Equity Chart. The table contains assessment details for three equity comparables, all [IWM], all located in Foothills. The comparables range in size from 3.73 to 6.37 acres, while the subject property is 5.33 acres. The comparables range in assessable building area from 124,616 to 77,830 sf, while the subject is 94,208 sf. The comparables range in site coverage from 30.50% to 45.26%, while the subject site coverage is 40.59%. The comparables Asmt/sf range from \$105.27 to \$88.46, with a median Asmt/sf of \$93.27. The Respondent noted the best comparable is the property located at 4315 54 AV SE and it is assessed at the rate of \$93.27 psf, while the subject is assessed at the rate of \$95.19 psf.

[13] The Respondent, on page 12, provided a table titled 2014 Industrial Sales Chart. The table provides details of two sales that occurred in the period October 5, 2012 to December 28, 2012. The Respondent noted the time adjusted sale prices per square foot (TASP/SF) were \$115.58 and \$131.37, while the subject property is assessed at the rate of \$95.19 psf, which is below the market value.

Complainant's Rebuttal Position:

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

[15] The Complainant, on page 7, provided the RealNet report for the sale at 7504 30 ST SE, one of the Respondent's sale comparables. The Complainant submitted the sale is invalid as it is a portion of a portfolio sale and that the property should not be used as a sale comparable.

[16] The Complainant, on page 10, provided the RealNet report for the sale of 7403 30 ST SE, one of the Respondent's sale comparables. The Complainant submitted that the sale is invalid as it was a leaseback sale, and the property should not be used as a sale comparable.

CARB's Findings:

[17] The CARB finds the sale at 7504 30 ST SE is invalid and should not be used as a sale comparable because the sale was a portfolio sale.

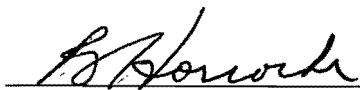
[18] The CARB finds the sale at 7403 30 ST SE is invalid and should not be used as a sale comparable because the sale was a leaseback sale.

[19] The CARB finds the Complainant's comparables are all smaller than the subject property with less land and are not comparable to the subject. The Respondent's comparables bracket the size of the subject and support the assessed rate.

CARB's Reasons for Decision:

[20] The Respondent's equity comparables support the assessed rate. The subject property is equitably assessed in comparison to similar and competing properties.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF August 2014.


B. Horrocks

Presiding Officer

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

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.*

For Administrative Use Only

Property Type	Property Sub-Type	Issue	Sub-Issue
<i>Warehouse</i>	<i>Multi Tenant</i>	<i>Equity</i>	