



## 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:

***Industrial 5000 Real Estate Investments Inc. (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:

<b>ROLL NUMBER:</b>	<b>094220506</b>
<b>LOCATION ADDRESS:</b>	<b>4447 46 AV SE</b>
<b>FILE NUMBER:</b>	<b>74588</b>
<b>ASSESSMENT:</b>	<b>\$10,780,000</b>

This complaint was heard on the 16th 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:

- 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 4.39 acre parcel located in the Eastfield Industrial community in SE Calgary. The site is improved with a 99,832 square foot (sf) multi tenanted industrial warehouse (IWM) that was constructed in 2000 and is classified as A- quality. The warehouse contains 99,832 sf of assessable area, 1.10% finish and 52.17% site coverage.

[6] The subject property is assessed at the rate of \$107.98 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:** \$9,702,000 (Complaint Form)  
\$8,620,000 (Hearing)

**CARB's Decision:**

- [8] The 2014 assessment is confirmed at \$10,780,000.

**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 of three equity comparables. The site area of the comparables ranges from 5.98 acres to 7.70 acres, while the subject property is 4.39 acres, smaller than the comparables. The assessable building area of the comparables ranges from 142,382 sf to 177,002 sf, while the assessable building area of the subject property is 99,832 sf, smaller than the comparables. The site coverage of the comparables ranges from 42% to 55%, while the site coverage of the subject property is 52.17%. The assessment per square foot (Asmt/sf) of the comparables ranges from \$70.99 to \$86.74 with a median Asmt/sf of \$86.38. The Complainant requested the subject property be equitably assessed at the rate of \$86.38 psf. The Complainant noted the best comparable is the property located at 5820 48 ST SE and it is assessed at the rate of \$86.38 psf.

**Respondent's Position:**

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

[12] The Respondent noted that two of the three comparables used by the Complainant are single tenanted buildings [IWS], while the subject is a multi tenanted building [IWM].

[13] The Respondent, on page 18, provided a table titled 2014 Industrial Equity Chart. The table contains assessment details of five comparable properties, all [IWM] and all located in the SE. The site area of the comparables ranges from 4.04 acres to 8.89 acres, while the subject property is 4.39 acres. The assessable building area of the comparables ranges from 70,217 sf to 130,646 sf, while the subject has an assessable building area of 99,832 sf. The site coverage of the comparables ranges from 32.49% to 40.72%, while the subject site coverage is 52.17%. The Asmt/sf of the comparables ranges from \$122.81 to \$135.68, while the subject is assessed at the rate of \$107.99 psf. The Respondent acknowledged that its comparables have significantly more finish and lower site coverage than the subject property, while noting they are all assessed at a higher rate than the subject property.

**CARB's Findings:**

[14] The CARB finds the comparables provided by the Complainant are not comparable as they are much larger in land area than the subject property and they have considerably more assessable building area than the subject property.

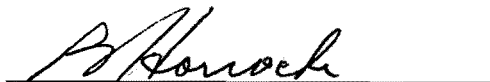
[15] The CARB finds the comparables provided by the Respondent bracket the subject property in both land area and assessable building area. The Respondent's comparables all have less site coverage and higher finish than the subject property which suggests they are superior to the subject and should be assessed at a higher rate, and they are.

**CARB's Reasons for Decision:**

[16] The Complainant's comparables are not comparable to the subject property.

[17] The subject property is equitably assessed lower in comparison to superior 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:**

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. 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.*

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