



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:

1262271 Alberta Ltd. (as represented by MNP LLP), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

K. Thompson, PRESIDING OFFICER
A. Wong, BOARD MEMBER
G. Milne, BOARD MEMBER

This is a complaint to the Calgary Composite Assessment Review Board (the 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:	054010905
LOCATION ADDRESS:	3220 5 Av NE
FILE NUMBER:	75065
ASSESSMENT:	\$7,160,000

This complaint was heard on 12th day of August, 2014 at the office of the Assessment Review Board located at Floor Number 3 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- Y. Lau *Agent, MNP LLP*
- J. Langelaar *Agent, MNP LLP*

Appeared on behalf of the Respondent:

- M. Hartmann *Assessor, City of Calgary*
- B. Brocklebank *Assessor, City of Calgary*

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

[1] No procedural or jurisdictional issues were brought forward. The Board continued with the merits of the complaint.

Property Description:

[2] The subject property is a 17 bay, multi tenant industrial warehouse located at 3220 5 Av NE in the Franklin Industrial Park. This property has been classed as C and is assessed as having 17 units in a total of 67,962 square feet (sf) of building, constructed in 1976 on a 4.42 acre parcel. This property has two exempt accounts related to it that are not under complaint. The value of the exempt from taxation portions are \$334,000 and \$618,500 respectively.

[3] The subject property is assessed using the sales comparison method of valuation and has a rate of \$119.39 per square foot (psf) for the assessed value.

Issues:

[4] The value of the property would better reflect market if it were based on a rate of \$96.00 psf.

Complainant's Requested Value: \$5,750,000.

Board's Decision:

[5] The assessment is confirmed at \$7,160,000.

Legislative Authority, Requirements and Considerations:

[6] Section 460.1(2) of the Act provides that, 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).

Position of the Parties**Complainant's Position:**

[1] The Complainant presented data on four comparable industrial property sales, all in northeast industrial parks and all considered to be similar to the subject property [C1, pp.12-14]. The sales occurred in 2011 and 2013 and their size ranges bracketed the subject property. The Complainant stated that it had no issue with the Respondent's time adjustments for the sale properties and all sale comparables were selected from the list provided by the City (referencing the list of valid sales used by the Respondent to develop the valuation model for this type of property). The resulting time adjusted sale price psf ranged between \$89.00 psf to \$107.00 psf with a median of \$96.00 psf and mean of \$94.00 psf.

[2] Supporting RealNet sale documents were included [C1, pp.22-32] along with the 2014 City's Assessment Information Package [C1, pp.34-49].

[3] The Respondent commented in questioning that one of the Complainant's comparable sales, at 2835 23 St NE, is listed in the RealNet document as two multi tenant condominium industrial buildings and argued that this would not be similar to the subject property. The Complainant commented that this sale is on the list of sales used by the Respondent to develop the model for industrial properties.

[4] The Complainant included the 2013 CARB decision for the subject property for the Board's consideration.

Respondent's Position:

[5] The Respondent presented a 2014 Industrial Sales chart and reviewed the details of eight sales comparables from northeast industrial parks, noting that none of these sales were used by the Complainant [R1, p. 67]. The sales occurred from 2011-2013 and the time adjusted sale price ranged between \$101.62 psf to \$160.34 psf. The size range bracketed the subject's building and land area and the median was \$134.00 psf. The Respondent stated that this supported the subject's \$119.39 psf rate.

[6] Supporting RealNet documents for the comparable sales were provided [R1, pp. 73-176].

[7] The Respondent provided a RealNet document dated 2006 sale of the subject property showing a sale price of \$6,950,000 with the purpose to confirm details of the subject property.

[8] The Respondent included sale and Land Title documents to illustrate that the Complainant's comparable at 2835 23 St NE is a two building sale of condominium units and therefore not an appropriate comparable for the subject property. The Respondent also noted that two of the Complainant's comparables have very high site coverage and provided a chart to illustrate that higher site coverage has a correlation with a lower rate psf. This would explain the

difference in value between these two comparables and the subject property [R1, p. 65].

[9] The Respondent also provided four equity comparables having a range in assessed value of \$110.20 psf to \$130.68 psf with a median of \$118.96 psf [R1, p. 69].

Complainant's Rebuttal

[10] The Complainant provided the RealNet document on the Respondent's comparable sale at 2808 Hopewell PI NE, indicating it was a portfolio sale and was not used by the Respondent in the sales analysis to determine the 2014 industrial warehouse values (C2, pp. 6-10). The Respondent's 2014 Industrial package was included.

Board's Reasons for Decision:

[11] The Board will limit its comments to the relevant facts pertaining to this case.

[12] Both the Complainant and the Respondent used the sales comparison approach to value this property.

[13] The Board Reviewed the comparable charts provided by both parties. The Board gave consideration to ten of the comparable sales excluding the sale at 2835 23 St NE and at 2808 Hopewell PI NE. The Board also placed less weight on those sales with high site coverage and relatively new buildings. The Board found no conclusive evidence remained to support the Complainant's request to reduce the subject property to \$96.00 psf. This was further supported by the \$124.25 psf rate of the comparable sale at 1423 45 Av NE deemed by the Board to be most similar to the subject property

[14] The Board notes that while it is not bound by previous Board Orders, it did consider those that were submitted (for general principles); this decision is based on the evidence before this Board.

[15] The subject property value is confirmed.

DATED AT THE CITY OF CALGARY THIS 16th DAY OF September 2014.



K. Thompson

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.*

Property Type	Property Sub-Type	Issue	Sub issue
industrial	Warehouse multi	Value/comparables	