



**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:

***DUNDEE INDUSTRIAL TWOFER (GP) INC.,  
(represented by Altus Group), COMPLAINANT***

and

***The City Of Calgary, RESPONDENT***

before:

***M. CHILIBECK, PRESIDING OFFICER  
G. MILNE, BOARD MEMBER  
R. KODAK, 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: 032027302**

**LOCATION ADDRESS: 4001 – 19 ST NE**

**FILE NUMBER: 75624**

**ASSESSMENT: \$5,410,000.**

This complaint was heard on 11th day of June, 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:

- *M. Robinson, Agent of Altus Group*

Appeared on behalf of the Respondent:

- *N. Domenie, Property Assessor of the City of Calgary*
- *G. Foty, Property Assessor of the City of Calgary*

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

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

**Preliminary Matter:**

- [3] Neither party raised any preliminary matter(s).

**Property Description:**

[4] The subject property is a developed parcel of industrial land with 2.47 acres, designated Industrial-General (I-G) and improved with two multi-bay (IWM) warehouse buildings with eight and three units constructed in 1978. The assessed building areas are 19,568 and 22,336 sq. ft. and have 62% and 54% finish. The building footprint area is 13,567 sq. ft. and 20,668 for combined site coverage of 31.87%.

[5] The subject is located at the northwest corner of 29 ST and 39 AV in Horizon Industrial Park (east of Barlow Trail and south of McKnight AV) located in the northeast quadrant of the City of Calgary.

**Issues:**

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

- 1) The subject property is in excess of its market value for assessment purposes.
  - i. The aggregate assessment per square foot of building area applied to the subject property does not reflect market value when using the direct sales comparison approach.

**Complainant's Requested Value:** \$4,270,000.

**Board's Decision:**

[7] Change the assessment to **\$5,070,000**.

**Legislative Authority, Requirements and Considerations:**

[8] The Composite Assessment Review Board (CARB) derives its authority from Part 11 of the Act:

*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).*

[9] For purposes of the hearing, the CARB will consider section 293(1) of the Act:

*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*

[10] The Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in section 293(1)(b) of the Act. 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:**

[11] The subject property is assessed by using the direct sales comparison method at a combined aggregate rate of \$129.20 per sq. ft. of assessable building area.

[12] One building which contains an assessable area of 19,568 sq. ft. is assessed at an aggregate rate of \$132.32 per sq. ft.

[13] The second building which contains an assessable area of 22,336 sq. ft. is assessed at an aggregate rate of \$126.46 per sq. ft.

[14] The subject property has a combined area of 41,904 sq. ft. of building area assessed at \$5,410,000.

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

[15] The Complainant provided five sale comparables in NE Calgary (C1P18) which have an aggregate median time adjusted sale price of \$102 per sq. ft. of building area in support of their claim the subject is assessed in excess of its market value.

[16] The comparables have a time adjusted sale price (TASP) range from \$94 to \$124 per sq. ft., assessable building area from 37,018 to 62,660 sq. ft., AYOC (actual year of construction) of 1972 to 1979, site coverage (SC) of 26 to 43% and finish from 8 to 48%.

[17] The Complainant referenced several Calgary CARB decisions from 2010 and 2012 wherein the Board decided that multi-building properties can be valued as one building when the building characteristics are similar. If the buildings are not similar, then each building should be valued individually.

[18] The Complainant argued that the comparables support their claim that the subject's assessment should be reduced to \$102 per sq ft.

[19] In rebuttal, the Complainant re-capped the Respondent's five sale comparables (C2P4), one of which is in common with the Complainant, and drew the Board's attention to three comparables; two of which are single-bay/unit properties and one which is significantly less in area than the subject and argued that the three sales should not be used as comparables to the subject

[20] The Complainant argued that single-bay properties are valued by the Respondent at a lesser value than multi-bay properties and the sale with 18,024 sq. ft. of building area is 57% smaller than the subject thus not similar to the subject.

**Respondent's Position:**

[21] The Respondent provided five sale comparables (R1P31), one of which is in common with the Complainant, with a range of TASP's from \$102.31 to \$181.67 per sq. ft. and asserted these comparables support the subject's assessment rate of \$129 per sq. ft.

[22] Of the five comparables provided by the Respondent, two are single-bay properties and three comparables are multi-bay properties, of which one is common with the Complainant.

[23] The comparables range in building area from 18,024 to 49,660 sq. ft., AYOC from 1978 to 1983, SC from 23.53% to 46.7%, and finish from 3% to 64%.

[24] The Respondent drew the Board's attention to page 110 of Exhibit R1 which describes how the Respondent values industrial properties and identifies the nine significant characteristics which affect value. This includes a variable for multiple buildings on one parcel. The coefficient for multiple buildings applies a negative adjustment to all parcels which contain more than one building.

[25] The Respondent made reference to several 2013 Calgary CARB decisions regarding multi-building properties wherein the Boards either accepted the Respondent's application of a multi-building discount in valuing multi-building properties or agreed with the Respondent that a property with two buildings is not an appropriate comparable to the subject or considered it important that multi-building sites should be compared to multi-building sites.

**Board's Reasons for Decision**

[26] The Board reviewed the sales comparables from both parties and placed most weight on two sale comparables, one from the Complainant and one from the Respondent which have a TASP of \$140.46 and \$102.31 per sq. ft. respectively.

[27] The Board agrees that multi-building properties can be considered good comparables when the property characteristics of each building are similar and similar to the subject except for the fact the subject may be a single-building property and the comparable may be a multi-building property. The Board finds the CARB decisions referenced by the Complainant persuasive in this regard.

[28] The Board reviewed the CARB decisions referenced by both parties, and although the Board may find them instructive and persuasive, it is not bound by previous Board decisions. The Board makes its decisions on the merits of the argument and evidence presented specific to each case.

[29] The Board placed little weight on four of the Complainant's comparables as follows.

[30] The Board accepts that the sale at 1411-33 ST is a non-arms-length sale as documented by the Respondent.

[31] The sale at 4826-11 St has 50% less finish and 9% more site coverage than the subject.

[32] The sale at 1423-45 AV has 35% less finish and 7% more site coverage than the subject.

[33] The sale at 3202-12 AV has 31% more assessable area, 39% less finish and 6% less site coverage.

[34] The Board placed little weight on three of the Respondent's comparables, 2620-22 ST, 4413-11 ST and 2801-18 ST because they have significantly smaller building areas than the subject at 43%, 64% and 57% respectively.

[35] The Board was concerned about the spread in the TASP's of the two comparables, \$140.46 and \$102.31 per sq. ft., which were given the most weight and noted the assessed rates of the two comparables at \$119.89 and \$124.93 per sq. ft. respectively. The Board decided that a fair and equitable rate is \$121 per sq. ft. for the subject property.

[36] Based on the foregoing, the Board's decision is to change the assessment to \$5,070,000.

DATED AT THE CITY OF CALGARY THIS 22 DAY OF JULY 2014.



**M. CHILIBECK**

**Presiding Officer**

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

<b>NO.</b>	<b>ITEM</b>
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.*

## CARB Identifier Codes

<b>Decision No. 75624P-2014</b>			<b>Roll No. 032027302</b>	
<b><u>Complaint Type</u></b>	<b><u>Property Type</u></b>	<b><u>Property Sub-Type</u></b>	<b><u>Issue</u></b>	<b><u>Sub-Issue</u></b>
CARB	Industrial	Multi Tenant	Sales Approach	Market Rate

FOR MGB ADMINISTRATIVE USE ONLY