



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:

Grand Collection Ltd.
(as represented by Assessment Advisory Group Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. Griffin, PRESIDING OFFICER
A. Huskinson, BOARD MEMBER
J. Lam, BOARD MEMBER

This is a complaint to the Composite 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: 100004605
LOCATION ADDRESS: 5614 Burbank Road SE
FILE NUMBER: 75886
ASSESSMENT: \$1,880,000.

This complaint was heard on 20th 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:

- S. Cobb (Agent - Assessment Advisory Group Inc.)

Appeared on behalf of the Respondent:

- J. Tran (Assessor – City of Calgary)

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

[1] There were no matters related to Procedure or Jurisdiction brought forward by either party.

Property Description:

[2] According to the Property Assessment Detail Report (Exhibit C1, pg. 5) the subject property is a multi tenanted industrial property that features a 9,693 Sq. Ft. 'C' quality building that was originally constructed in 1972. The underlying site is 0.66 acres in size. The property assessment has been estimated through application of the Sales Comparison Approach.

Issues:

[3] The Complainant brought forward the following issue to be considered by the CARB:

- 1) The Complainant contends that the assessed value of the subject property is too high and is not representative of market value nor is it equitable compared to similar properties.

Complainant's Requested Value: \$1,430,000. (Revised at the Hearing)

Board's Decision:

[4] The Assessment is **Confirmed** at **\$1,880,000.**

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

[5] The Complainant introduced (Exhibit C1 pg. 10) their Equity and Sales Comparable Analysis Chart providing three equity comparables and four sales comparables. Two of the equity comparables are located in Manchester Industrial and one is located in Burns Industrial as is the subject. The three properties appear to compare favourably with the subject in terms of age and building size. The assessed rates for these properties indicate a Median of \$182/Sq. Ft. of building area.

[6] The four sales comparables are all located in the southeast, but none in Burns Industrial. The building sizes range from 6,476 Sq. Ft. to 13,000 Sq. Ft. and the finished percentage ranges from 20.1% to 46.8%. The sales were recorded between Dec. 2010 and October 2012. The sales indications range from \$131/Sq. Ft. to \$152/Sq. Ft. but Comparables 4, 5 & 6 are then adjusted upwards by 10% to account for the difference in finished area of these three compared to the subject. The adjusted sales indications then range from \$135/Sq. Ft. to \$167/Sq. Ft. of building area. This information forms the basis for the Complainant's request to have the assessed value of the subject property reduced.

Respondent's Position:

[7] The Respondent pointed out to the Board that the Complainant's Equity comparables #2 & #3 have a somewhat different Land Use Designation than that of the subject. Additionally the Respondent notes the Complainant's sale comparable #4 has an original year of construction of 1945 and questions how comparable this property can be to the subject which was constructed some 27 years later. The Respondent also noted that the Complainant's Comparable #6 has a site coverage of 64.44% compared to the subject at 33.6% (Exhibit R1 pg. 13). The Respondent produced (Exhibit R1 pg. 26) a copy of the Non Residential Property Sale Questionnaire pertaining to the Complainant's sale comparable #5 was a transaction between related parties and therefore should not be given consideration.

[8] The Respondent also introduced (Exhibit R1 pg. 31) their Sales Chart giving the summaries of 4 properties, all of which are located in the southeast. These properties compare very favourably with the subject property in terms of: land size, building size, percentage of finished area and site coverage. The properties were all sold in 2012 and the Time Adjusted Sale Price (TASP) ranges from \$192 to \$236/Sq. Ft. of building area which, the Respondent contends, indicates the assessed value of the subject being, if anything, too low. Based on this information together with the sale comparables provided, the Respondent maintains there is no justification to changing the assessed value of the subject property and requests the CARB confirm same.

Board's Reasons for Decision:

[9] The CARB agrees with the Respondent that the Complainant's sale comparable #5 should not be given consideration as it was a non arms-length transaction. The Board finds it problematic that the Complainant makes no adjustments to any of the sales even though one of same dates back to 2010. The CARB also questions the comparability of a 'D' quality building that was constructed some 27 years earlier than the subject. Given the difference in quality and age it is not surprising to the Board that the assessed value of this building is considerably less

than that of the subject. Additionally, the Complainant makes an arbitrary 10% adjustment to account for the differences in the amount of finished space. The CARB is of the judgment that such adjustments should not be made without some sort of supporting evidence that would warrant same. In the final analysis the CARB finds the evidence of the Respondent to be more compelling than that of the Complainant and is of the judgment that, based upon the evidence of the Complainant no adjustment to the current assessed value is warranted. Accordingly the assessment is confirmed.

DATED AT THE CITY OF CALGARY THIS 10th DAY OF September 2014.


C. J. Griffin, Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure Part 1
2. C1A	Complainant Disclosure Part 2
3. 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.*

CARB Identifier Codes

Decision No. 75886P-2014			Roll No. 100004605	
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Industrial	Industrial	Market Value	Equity

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