



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:

MacBain Properties 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:	137041406
LOCATION ADDRESS:	12222 44 St SE
FILE NUMBER:	76038
ASSESSMENT:	\$3,140,000

This complaint was heard on 13th 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:

- J. Langelaar *Agent, MNP LLP*

Appeared on behalf of the Respondent:

- J. Tran *Assessor, City of Calgary*

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

[1] The Respondent's evidence package was labelled as received late by the Assessment Review Board. In consultation with the Complainant it was determined that the package had been received by its office within the time limits. No further procedural or jurisdictional issues were brought forward. The Board continued with the merits of the complaint.

Property Description:

[2] The subject property is a single bay industrial warehouse located at 12222 44 St SE in the East Shepard Industrial Park. This property has been classed as A- and is assessed as having a total of 16,182 square feet (sf) of building, constructed in 2004 on a 1.51 acre parcel.

[3] The subject property is assessed using the sales comparison method of valuation and has a rate of \$194.56 per square foot (psf).

Issues:

[4] The value of the property would better reflect market if it were based on a rate psf of \$176.00 psf.

Complainant's Requested Value: \$2,840,000

Board's Decision:

[5] The assessment is confirmed at \$3,140,000.

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:

[7] The Complainant presented data on five comparable industrial property sales, all in southeast industrial parks [C1, pp.13-14]. The sales occurred in 2011 and 2012 and their size range 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 Respondent (referencing the list of valid sales used by the Respondent to develop the valuation model for this type of property). The time adjusted sale price psf ranged between \$166.00 psf and \$180.00 psf with a median of \$176.00 psf and a mean of \$173.00 psf. The Complainant concluded that this supported the request to calculate the subject property's assessed value at the rate of \$176.00 psf.

[8] Supporting RealNet sale documents were included [C1, pp.24-39] along with the City of Calgary's 2014 Assessment Information Package [C1, pp.41-57].

Respondent's Position:

[9] The Respondent presented a 2014 Industrial Sales Chart and reviewed the details on four sales comparables from southeast industrial parks [R1, p. 25]. The sales occurred from 2011 to 2012 and the time adjusted sale price ranged between \$186.84 psf to \$244.35 psf. The size range bracketed the subjects building and land area and the median rate was \$192.64 psf with a mean of \$204.12 psf. The Respondent stated that this supported the subject's \$194.56 psf rate for its assessed value.

[10] The Respondent argued that three of the Complainant's comparable sales were located in Residual Ward 12 and consequently not similar to the subject property. These properties reside in an industrial park that is only partially serviced, while the subject property is in an Industrial Park that is fully serviced. The Respondent provided the servicing maps as support [R1, pp. 18-19]. The Respondent added that the same three sales comparables also had restricted DC guidelines with a different land rate than the rate for the subject property.

Complainant's Rebuttal

[11] The Complainant provided documents for rebuttal to the Respondent's comparables:

- 1) RealNet document to show the sale at 3200 114 Av SE which indicates that this was a Flex Office transaction.
- 2) 2014 Property Assessment Detail Reports to indicate 4318 110 Av SE was purchased by MacBain Properties and the same owner holds the two other adjacent parcels, suggesting that this sale may not be arms length.
- 3) Commercial edge document to show 7491 110 Av SE is listed as having 18,000 sf where as the Respondent lists it on the chart as 15,500 sf.
- 4) The Property Assessment Detail Report for 11079 72 St SE which shows a size discrepancy with the Assessment website document.

[12] The Complainant added the Respondent's four sales comparables to its analysis with five sales and concluded that the median rate only changes from \$176.00 psf to \$179.00 psf.

Board's Reasons for Decision:

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

[14] The subject property seems to be a reasonable representation of assessment class and equitable to the surrounding properties. Nothing unique or underperforming was brought forward with regards to this particular property. This subject's placement in this zone was not challenged by the Complainant. Both the Complainant and the Respondent used the sales comparison approach to value this property.

[15] In review of the sales comparables from both parties, the Board agreed with the Respondent that the comparable sale properties in Residual Ward 12 would not be similar to the subject property; with limited servicing and different land rates they would not give the Board any insight as to the subject property's market value. The Board chose to give little weight to the Respondent's comparable at 3200 114 Av SE, as it doesn't bear a great deal of similarity to the subject property. Given the remaining comparable properties, the median rate of \$191.00 psf does not support the Complainant's request for a reduction to \$176.00 psf (or \$179.00 psf) but rather supports the 2014 assessed value of \$196.00 psf.

[16] 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.

[17] The subject property's assessment 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	