



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:	116022690
LOCATION ADDRESS:	8010 44 St SE
FILE NUMBER:	76048
ASSESSMENT:	\$4,570,000

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 Complainant and Respondent asked that the testimony, questions, summary and argument be carried forward from file 76038. The Board had no issue with this and continued with the merits of the complaint.

Property Description:

[2] The subject property is a single bay industrial warehouse located at 8010 44 St SE in the Foothills Industrial Park. This property has been classed as B and is assessed as having eight units in a total of 23,042 square feet (sf) of building, constructed in 1995 on a 3.02 acre parcel.

[3] The subject property is assessed using the sales comparison method of valuation and has a rate of \$198.66 per square foot (psf). There is an adjustment of \$871,952 on this property for additional land that is taken into account on the rate 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: \$4,050,000

Board's Decision:

[5] The assessment is confirmed at \$4,570,000.

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 at 16,082 to 22,638 sf is less than the subject property at 23,042 sf. 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 recalculate 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. 27]. The sales occurred from 2011 to 2013 and the time adjusted sale price ranged between \$180.02 psf to \$215.17 psf. The size range bracketed the subjects building and land area and the median rate was \$190.05 psf with a mean of \$192.23 psf. The Respondent stated that none of its comparables had additional land and their median value supported the subject's \$198.66 psf rate for its assessed value. The Respondent noted that the rate would be \$161.00 psf without the additional land value and this is lower than the Complainant's median and equal to its mean. .

[10] The Respondent argued that three of the Complainant's comparable sales were located in Residual Ward 12 (ES4 - Innovation Industrial Park) and not similar to the subject property. These properties reside in an industrial park that is only partially serviced, while the subject property is fully serviced. The Respondent provided the servicing maps as support [R1, pp. 15-16]. The Respondent added that the same three sales comparables also had restricted DC guidelines with a lower land rate than the rate for the subject property. The Respondent noted that land rates for ES4 were \$320,000 per acre while the subjects Industrial General (IG) land is valued at \$645,000 per acre. The Respondent's 2014 Industrial Land Rates were included [R1, p. 33].

Complainant's Rebuttal

[11] The Complainant provided documents on the Respondent's comparable at 2850 107 Av SE. A block face map, RealNet document and Property Detail reports on 2850 and 2880 107 Av SE indicate that this sale appeared to have been for a property with 11 units (the Complainant noted that this was far greater than number of units seen in the subject property) and an additional vacant lot. The Complainant argued that there would need to be an adjustment to the sale price to make it comparable to the subject property.

Board's Reasons for Decision:

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

[13] 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.

[14] In reviewing the sales comparables from both parties, the Board agrees that the comparable sale properties in Residual Ward 12 (Innovation Park) 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 would also give little weight to the Respondent's comparable at 2850 107 Av SE as there is some question as to the value of the additional lot purchased with this property. Given the remaining comparable properties the median does not support the Complainant's request for a reduction but supports the 2014 assessed value especially taking into account the rate psf without the additional land.

[15] 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.

[16] The subject property's assessment is confirmed.

DATED AT THE CITY OF CALGARY THIS 11th 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	