



## **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:**

***McKervey Wholesale Inc.***  
***(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:** 074001306

**LOCATION ADDRESS:** 1848 - 54 Street SE

**FILE NUMBER:** 76068

**ASSESSMENT:** \$2,540,000.

This complaint was heard on 19th 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:

- T. Luchak (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 an industrial warehouse property consisting of three buildings on a single site. The buildings are a 'C' quality 1,332 Sq. Ft. warehouse built in 1976, a 'C-' quality 5,000 Sq. Ft. warehouse built in 1962 and a 'C' quality 5,000 Sq. Ft. warehouse built in 1976. The underlying site is 1.66 acres in size. The property, which is located in the Forest Lawn Industrial district of the city, has a Land Use Designation of Direct Control. 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 reflective of market value and it is not equitable compared to similar properties.

**Complainant's Requested Value: \$1,620,000. (Revised at the Hearing)**

**Board's Decision:**

[4] The Assessment is **Confirmed** at **\$2,540,000.**

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

[5] The Complainant introduced (Exhibit C1 pg. 10) a Comparable Analysis that summarises 3 Equity comparables and 3 Sales comparables. All 3 of the Complainant's equity comparables are located within the Forest Lawn Industrial area and all are 'C' or 'C-' quality. The original year of construction for these properties ranges from 1964 to 1977 and the building sizes range from 11,536 Sq. Ft. to 16,672 Sq. Ft. The finished area ranges from 7.30% to 42.20% as opposed to the subject at 6.10%. The assessed building rate/Sq. Ft. ranges from \$150 to \$181 and indicate a Median of \$152/Sq. Ft. versus the subject at \$224/Sq. Ft.

[6] The 3 sales comparables refer to industrial properties that are located in Forest Lawn Industrial, Eastfield Industrial and Golden Triangle Industrial areas. The building sizes range from 5,000 Sq. Ft. to 9,030 Sq. Ft. and the original year of construction ranges from 1978 to 1999. One of the buildings, Comparable 3, is of 'C' quality while Comparable 4 is 'B' quality and Comparable 5 is a 'C-' quality. The sales prices of these properties range from \$1,100,000 to \$1,290,000 and the indicated Median sales price is \$161/Sq. Ft. and the Mean is \$167/Sq. Ft. The sales dates range from March 2011 to May 2012. This information forms the basis for the Complainant's request to have the assessed value reduced.

**Respondent's Position:**

[7] The Respondent stressed to the Board that the subject property is considered to be a multi-building property; however, all of the Complainant's comparables, both equity and sales, are single building properties. The Respondent further indicated that the Complainant's sale Comparable 3 was a non-brokered transaction that was purchased as a result of an existing Option to Purchase and the property had not been exposed to the open market. The Respondent supplied (Exhibit R1 pgs. 13 – 17) a copy of the Non Residential Sales Questionnaire, completed by the property purchaser, which verified the Respondent's claims. In consideration of this information the Respondent requested the CARB to exclude this sale from the Complainant's analysis. The Respondent further maintains that the Complainant's sales and equity comparables have substantially less land (and higher site coverage ratio) than the subject. The Respondent submitted (Exhibit R1 pg.12) a site coverage adjustment sheet showing how much land these sales comparables would require to be truly comparable to the subject. The Respondent further introduced (Exhibit R1 pg. 21) a similar chart showing the site adjustments to the Complainant's equity comparables. The Respondent noted that with these adjustments factored in, then the both Complainant's sales and equity comparables actually support the current assessed value. Additionally, the Respondent pointed out to the Board that the Complainant had failed to apply any time adjustments to the sales and that none of the sales referred to multi-building properties. Based upon this information the Respondent requested that the CARB confirm the current assessed value.

**Board's Reasons for Decision:**

[8] The CARB agreed with the Respondent that the Complainant's Comparable 3 was not an open market transaction and as will not be given consideration. The Board found the Respondent's argument relating to the site coverage and the adjustments that should be made

to account for the variations in same to be compelling and agreed with the Respondent that, having applied these adjustments the Complainant's own evidence supports the assessed value. Additionally, the CARB agrees with the Respondent that the Complainant should have applied time adjustments to the sales comparables. In consideration of the foregoing the assessment of the subject property is confirmed.

DATED AT THE CITY OF CALGARY THIS 10<sup>th</sup> DAY OF September 2014.

  
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C. J. Griffin, Presiding Officer

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

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

<b>Decision No. 76068P-2014</b>			<b>Roll No. 627004203</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	Industrial Multi Building	Market Value	Equity

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