



**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:**

***WILLOW HOLDINGS LTD. (as 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: 024008302**

**LOCATION ADDRESS: 5225 – 8 ST NE**

**FILE NUMBER: 76321**

**ASSESSMENT: \$5,170,000.**

This complaint was heard on 10th 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:

- *M. Hartmann, 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 2.69 acres, designated I-G and improved with one single-bay warehouse building constructed in 1977. The assessed building area is 48,625 sq. ft. and has 7.6% finish. The building footprint area is 48,000 sq. ft. for site coverage of 40.95%.

[5] The subject is located north of McKnight BV in between Deerfoot Trail and the CPR railway in the Skyline West area 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 applied to the subject property does not reflect market value when using the direct sales comparison approach.

**Complainant's Requested Value: \$4,560,000.**

**Board's Decision:**

[7] Change the assessment to **\$4,710,000.**

**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 MGA section 293(1)(b). 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 an aggregate rate of \$106.43 per sq. ft. of assessable building area.

[12] The subject property has 48,625 sq. ft. of building area assessed at \$5,170,000.

**Position of the Parties**

**Complainant's Position:**

[13] The Complainant provided three sale comparables of single-tenant properties in NE Calgary (C1P16) which have an aggregate median time adjusted sale price of \$94 per sq. ft of building area in support of their claim the subject is assessed in excess of its market value.

[14] The comparables have a time adjusted sale price (TASP) range from \$89 to \$109 per sq. ft., assessable building area from 39,600 to 51,200 sq. ft., AYOC (actual year of construction) from 1972 to 1976, site coverage (SC) from 41 to 55% and finish from 8 to 22%.

[15] The Complainant placed most weight on the median TASP of \$94 per sq. ft. and requested that the subject assessment be reduced to \$4,560,000.

[16] The Complainant selected 4826-11 ST as his best comparable with a TASP of \$93.91 per sq. ft.

[17] In rebuttal, the Complainant re-capped the Respondent's four sale comparables (C2P4), three of which are in common with the Complainant and argued that no weight should be placed on the comparable at 1423-45 AV.

[18] This comparable is a multi-tenant (six bay/unit) property and should not be used as a comparable to the subject because multi-tenant property is valued by the Respondent at a higher rate than single tenant property.

[19] The Complainant calculated the average TASP for the four comparables at \$103.86 per sq. ft. and the median at \$101.21 per sq. ft. However, when comparable 1423-45 AV is excluded, the average TASP is \$97.06 per sq. ft. and the median is \$93.91 per sq. ft.

[20] The Complainant made reference to a Calgary CARB decision 73101P-2013 on the subject property issued in 2013 in support of their request for an assessment reduction. This decision reduced the subject assessment.

**Respondent's Position:**

[21] The Respondent provided four sale comparables in NE Calgary (R1P16), three of which are in common with the Complainant and argued that the TASP's, which range from \$88.75 per sq. ft. to \$124.26 per sq. ft., bracket the assessed rate of \$106.23 per sq. ft. for the subject. No sale reports/fact sheets were provided for any of the comparables.

[22] The Respondent's comparable at 1423-45 AV (not in common with the Complainant) is a multi-tenant (bay/unit) property, has an assessable building area of 37,018 sq. ft., AYOC of 1973, SC of 39% and finish at 24% with a TASP of \$123.45 per sq. ft.

[23] The Respondent argued that the range of TASP's support the assessed rate of the subject

**Board's Reasons for Decision:**

[24] The Board reviewed the sale comparables from both parties and placed little weight on the Respondent's sale at 1423-45 AV because it has the smallest building area and more finish than the subject.

[25] The Board understands that multi-tenant property is valued higher than single-tenant property and this premise is agreed to by both parties.

[26] However, the Board understands from the arguments presented by both parties that single tenant or multi tenant properties with less than 90,000 sq. ft. of building area sell at a similar value, all other characteristics being similar. Therefore the Board gave this characteristic very little weight.

[27] The Board finds the best comparables to be from the Complainant which have a median TASP of \$94 per sq. ft. and average TASP of \$97 per sq. ft.

[28] The Board's decision is to change the assessment to \$4,710,000 based on \$97 per sq. ft. of building area.

DATED AT THE CITY OF CALGARY THIS 16<sup>th</sup> DAY OF JULY 2014.

A handwritten signature in cursive script, appearing to read 'M. Chilibeck', written over a horizontal line.

**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. 74321P-2014</b>			<b>Roll No. 024008302</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

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