



Calgary Assessment Review Board

DECISION WITH REASONS

In the matter of the complaints against the property assessments as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

between:

***P.B.L. MACHINERY LTD., (as represented by Colliers International Realty Advisors Inc.),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***BOARD CHAIR, T. Hudson PRESIDING OFFICER
BOARD MEMBER, I. Fraser
BOARD MEMBER, G. Milne***

These are complaints to the Calgary Assessment Review Board in respect of the property assessments prepared by the Assessor of The City of Calgary and entered in the 2014 Assessment Roll as follows:

ROLL NUMBERS: 054014204 and 054014105

LOCATION ADDRESSES: 3140 14 AV NE and 3110 14 AV NE

FILE NUMBERS: 76729 and 76735

ASSESSMENTS: \$4,280,000 and \$5,640,000

These complaints was heard together on the 29th day of July, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Board room 10.

Appeared on behalf of the Complainant:

- *Mr. T. Howell, Agent, Colliers International Realty Advisors Inc.*

Appeared on behalf of the Respondent:

- *Mr. B. Brocklebank, Assessor, City of Calgary*

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

[1] There were no procedural or jurisdictional matters in dispute between the Parties.

[2] The Parties requested and the Board agreed, to hear these complaints together because the properties have a common owner, and the evidence and argument is the same.

Property Description:

[3] The subject properties are side by side warehouses located at 3110 and 3140 14 AV NE in the Franklin industrial community. Constructed in 1978, the warehouses provide 55,159 square feet (sf.) and 43,128 sf., of net assessable area, respectively. Site coverage is 40.60% and 41.01%, and office finish is 0% and 29% respectively.

[4] The properties are currently assessed based on the direct sales comparison approach as "C" class quality, at unit rates of \$102.25 per square foot (psf.), and \$99.24 psf., to a total of \$5,645,762, and \$5,239,355.

[5] The assessments under complaint are \$5,640,000 and \$4,280,000 respectively. The warehouse at 3140 14 AV NE includes assessable value exempt from taxation totalling \$950,000.

Issue:

Assessment Amount

[6] The Complainant contends that the assessments exceed market value, and should be reduced using a unit rate of \$95 psf.

Complainant Requested Values: \$5,240,000 (rounded), and \$4,100,000 (rounded).

Board's Decision:

[7] **The assessments are confirmed at \$5,640,000 and \$4,280,000.**

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 the Act Section 293(1):

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 the Act 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, and,

(c) must reflect typical market conditions for properties similar to that property.

Position of the Parties

Complainant

[11] The Complainant initially submitted an analysis of six property sales with a unit rate range of \$76.90 psf. to \$124.26 psf., and a mean of \$91.60 psf. in support of a requested unit rate of \$90.00 psf. for the subject property assessments, (Exhibit C1, page 16).

[12] The Complainant subsequently time adjusted the sale prices based on the Respondent's methodology, and calculated a mean rate of \$96.06 psf., (Exhibit C2, page 5).

[13] The Complainant then revised the requested unit rate to \$95.00 psf., for the subject property assessments.

[14] The Complainant observed that three of the six market sales submitted by the Respondent are newer than the subjects, and all are smaller in assessable area; and therefore superior to the subject.

[15] The Complainant also argued that because one of the sales submitted by the Respondent was transacted in 2010, it is a dated sale and should be excluded from the analysis.

Respondent

[16] The Respondent submitted an analysis of six sales in support of the assessed values of the subject property, (Exhibit R1, page 50). The sales provide a unit value range of \$115.08 psf., to \$160.34 psf. in support of the assessed unit values of \$102.36 psf., and \$121.48 psf.

[17] The Respondent noted that the subject properties sold in October of 2012 as part of a portfolio that also included properties located at 3200, 3320, 3300, 3360 14 AV NE. The purchase price for the first four properties totalled \$28,459,468, while the combined assessment value in 2014 is \$24,679,743, demonstrating that the assessed values do not exceed market value, (Exhibit R1, pages 41-46).

[18] The Respondent also argued that the property sales submitted by the Complainant are for the most part smaller parcels, (i.e. 2.19 acres on average), with significantly more site coverage, (i.e. 46.75% on average), than the subject properties with average parcel size of 2.76 acres, and average site coverage of 40.85%.

Board's Reasons for Decision:

[19] The Board was not convinced by the Complainant that their evidence had produced an assessment estimate that reflects the 2014 market value of the subject property.

[20] The comparable market sales and the sale of the subject properties submitted by the Complainant, support the current assessments.

DATED AT THE CITY OF CALGARY THIS 25 DAY OF August 2014.



T. B. Hudson

Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal
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.*

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<i>Decision No. 76729, and 76735</i>			<i>Roll Nos. 054014204, and 054014105</i>	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Warehouses	IWM, IWS	Market Value	Sale Comps, Subject Sale