
COMPOSITE ASSESSMENT REVIEW BOARD DECISION

HEARING DATE: 03 July 2012

PRESIDING OFFICER: ROB IRWIN

MEMBER: D. Oneil

MEMBER: C. Sanders

BETWEEN:

LREIT Holdings 2 Corporation
Represented by: Colliers International Greg Jobagy

Complainant

-and-

CITY OF AIRDRIE
Represented by:
G. Beierle and H. Kuntz

Respondent

This is a complaint to the Airdrie Assessment Review Board and heard by the Composite Assessment Review Board in respect of a property assessment prepared by the Assessor of the City of Airdrie for the Roll #265700.

Procedural or Jurisdictional Matters

No matters were identified by either party.

Neither party raised an objection to any Board member hearing the subject complaints.

No procedural or jurisdictional matters were raised by either party.

Regarding Brevity:

The Composite Review Board (CARB) reviewed all the evidence submitted by both parties. The extensive nature of the submissions dictated that in some instances certain evidence was found to be more relevant than others. The CARB will restrict its comments to the items found most relevant

Property Description

The subject property is described as a 39,950 square foot, medium warehouse situated on a 3.96 acre site. The subject is located at 156 East Lake Blvd in the City of Airdrie, Alberta and is zoned 18-3 industrial Business Park Three District.

2012 Assessed Value \$2,898,000

Requested Assessed Value \$2,157,500. This was revised to \$2,157,500 at the hearing.

Issues

Prior to presenting their arguments, the Complainant confirmed to the Board that the two issues before the Board were the actual size of building under appeal and the assessed value.

Issue 1: Assessed Value

Complainants Position:

The Complainant stated that the assessment was too high.

He began by presenting a hand drawn Schedule A and concluded that the correct size was 39,936 square feet. It was therefore noted that the building area size was incorrect as assessed at 39,950 square feet.

The Complainants evidence indicated that due to the lack of comparable sales within the City of Airdrie they had opted to utilize the Income Approach in their valuation in order to obtain the requested assessment.

It was further outlined that also due to a lack of comparable lease rates in Airdrie the Complainant used comparable property data from property located in Calgary.

The Complainant stated that the tenant had leased the entire Airdrie building at a rate of \$2.75 per square foot.

The Board was then directed to review a chart of 4 NE Calgary properties of market leases of property that occurred in 2011 and the Complainant calculated that the typical market rental rate for industrial space in Calgary is approximately \$6.00 per square foot. In conclusion it was stated that it was reasonable to assume that the typical industrial rate in Airdrie would fall somewhere between the subjects actual lease rate and a NE Calgary rate and it was requested that a rate of \$4.00 per square foot should be used to calculate Airdrie lease rates.

Respondent's Position:

The Respondent argued that the Complainant had used property located in a different City than the subject which was a completely different market. The Respondent conceded that there was a limited amount of lease or sales data available but did provide a chart of warehouse rates over 40,000 square feet which averaged \$6.67.

The Respondent also presented a chart of fair condition warehouse rates of less than 40,000 square feet which calculated a \$7.45 per square foot rate.

It was presented that the subject had been assessed at the fair warehouse rate of \$7.45 and an additional 15% discount had been given due to its larger size. The City cited the subject property had a fair and correct assessment and asked it be confirmed.

Findings

The submission of the Complainant raised a number of concerns for the CARS.

The initial concern was regarding the real size of the subject building. Upon inspection the hand drawn plan contained what appeared to be an unmeasured portion that jutted out of the northern side of the subject. The Board agreed that the submission was unreliable and that the size would be considered at the assessed size of 39,950 square feet. It was decided that a change to size should be best proposed by including a professional building measurement.

Primary concern was the Complainant's lack of local market data presented to convince the Board that the assessment was incorrect. The Board agreed that the respondent's Airdrie matrix of market data was more persuasive of local market conditions.

The Board recognized that there were also differences in land use between the subject and the Complainant's suggested comparables.

The Board found the comparables used by the municipality appear to be superior in comparability to the subject property.

The Board finds that the Complainant has presented insufficient evidence to support the requested assessment change.

Decision

The Board confirms the assessment for Roll #265700 at \$2,898,000.

Reasons

Based on the Municipal Government Act, Section 467

(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

(3c) the assessments of similar properties in the same municipality.

Dated at Airdrie, in the Province of Alberta this_--_ day of July, 2012.

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Rob Irwin, Presiding Officer

This decision may be appealed to the Court of Queen's Bench on a question of law or jurisdiction, pursuant to Section 470(1) of the Municipal Government Act, R.S.A. 2000, c.M-26.