

**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:

***Hanover Property Management Ltd (as represented by Altus Group Limited),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***B. Horrocks, PRESIDING OFFICER
D. Pollard, MEMBER
B. Bickford, 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 2012 Assessment Roll as follows:

ROLL NUMBER:	097003909
LOCATION ADDRESS:	5920 40 ST SE
HEARING NUMBER:	67782
ASSESSMENT:	\$4,710,000

This complaint was heard on the 20th day of June, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- Mr. J. Smiley (Altus Group Limited)

Appeared on behalf of the Respondent:

- Mr. I. Baigent (City of Calgary)
- Mr. B. Brocklebank observer

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

There were no concerns with the Board as constituted.

There were no preliminary matters. The merit hearing proceeded.

Property Description:

The subject property is a 3.68 acre parcel located in the Foothills Industrial Park in SE Calgary. The site is improved with a 46,880 square foot (SF) single tenanted (IWS), multi-bay warehouse that was constructed in 1976. The Finish is 17%, the Site Coverage is 29.22% and the Assessable Building Area is 51,200 SF. The subject is assessed at \$92.10/SF utilizing the Sales Comparison approach to value.

Issues:

The Assessment Review Board Complaint form contained 14 grounds for Complaint. The Complainant advised there was only one outstanding issue, namely: "The aggregate assessment per square foot applied to the subject property does not reflect market value for assessment purposes when using the direct sales comparison approach and should be \$82 psf".

Complainant's Requested Value: \$4,190,000 (Complaint Form)
\$4,140,000 (Hearing)

Board's Decision in Respect of Each Matter or Issue:

Issue What is the fair and equitable estimate of market value for assessment purposes?

The Complainant's Disclosure is labelled C-1.

The Complainant submitted that in examining sales similar to the subject and located nearby, it finds that the time adjusted sales prices range from \$68 per SF to \$86 per SF.

The Complainant, at page 10, provided an untitled chart which contained 5 sales comparables of single tenanted warehouses (IWS) of similar size, all from the Foothills Industrial Park, with similar year of construction (AYOC), Site Coverage ranging from 30 to 39% and Finish ranging from 13 to 26%. The time adjusted sale prices per square foot (TASP/SF) ranged from \$68 to \$86.

The Complainant submitted the sale of 3131 57 AV SE is least comparable because of the year of construction (1970) and should be given minimal weight which would result in the (TASP/SF) range narrowing from \$78 to \$86. Further, the sale of 5049 74 AV SE at \$86/SF is for a superior building to the subject. Finally, the sale of 7220 44 ST SE at \$81/SF is the best comparable and supports its request for an assessment of \$81/SF.

The Respondent's Disclosure is labelled R-1.

The Respondent, at page 14, provided Industrial Sales Comparables which included 11 sales with TASP ranging from \$3,472,935 to \$5,796,314, noting the subject is assessed within the range at \$4,710,000. The Respondent submitted that the TASP/SF should not be considered because it can be skewed by differences in any or all of the variables.

The Respondent, at page 16, provided 2012 Industrial Equity Comparables which contained 7 comparables, with 2 smaller and 5 larger than the subject, all in the Foothills Industrial Park. The Respondent submitted the biggest disparity in the Rate per SF would be attributable to the difference in site coverage. The Respondent noted the assessments ranged from \$4,702,502 to \$6,054,671 and the subject was assessed within the range at \$4,715,593.

The Respondent, at page 36, provided a chart of the Complainant's Sales expressed in an Equity format that were purported to support the assessment.

The Complainant's rebuttal is labelled C-2.

The Complainant, at page 3, provided a table which contained its Sales Comparables and the 2012 assessments and the calculated Assessment to Sales Ratio (ASR). The ASRs ranged from 103% to 133%. The Complainant argued the assessments on these properties do not form a reasonable basis for comparison.

The Complainant, at page 4, submitted the City's Industrial Sales Comps from R-1 (P14) and suggested that the 7 sales from the Foothills Industrial Park are the most comparable and result in a median TASP of \$80.87 in support of his request for an assessment rate of \$81/SF.

The Board finds the sales in the Foothills Industrial Park as presented by both parties, with a median TASP of \$81/SF provides the best indicator of market value. The best estimate of market value is by extension \$4,147,200.

Board's Decision:

The 2012 assessment is reduced to \$4,140,000.

Reasons:

The median rate of \$81/SF is well supported by market evidence and equity comparables.

DATED AT THE CITY OF CALGARY THIS 10th DAY OF July 2012.



B. Horrocks
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's 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.*

For Administrative Use

Subject	Property type	Property sub- type	Issue	Sub-Issue
CARB	Warehouse	Multi-bay	Sales Approach	Market value

