

**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:

***Ruediger Westphal c/o Atlantis Realty Services Inc.
(as represented by AEC International Inc.), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***L. Wood, PRESIDING OFFICER
P. Charuk, MEMBER
T. Usselman, 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:	033039801
LOCATION ADDRESS:	1216 36 AV NE
HEARING NUMBER:	68423
ASSESSMENT:	\$3,580,000

This complaint was heard on 18 day of June, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- Mr. B. Ryan Director, AEC International Inc.
- Mr. J. Wingrowich Agent, AEC International Inc.
- Mr. J. Luong Agent, AEC International Inc. (observer)

Appeared on behalf of the Respondent:

- Mr. G. Bell Assessor, City of Calgary
- Ms. M. Hartman Assessor, City of Calgary (observer)

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

[1] There were no procedural or jurisdictional matters raised by the parties during the hearing.

Property Description:

[2] The subject property is a multi tenant warehouse located on a 2.10 acre site in McCall. The assessable building area is 37,800 sq. ft., finish of 23% and a site coverage ratio of 41.34%. It was built in 1974. It was assessed with a quality C rating. The land use designation is I-G Industrial General. The property was assessed at a rate of \$94.88 psf.

Issues:

[3] The issues were identified as follows:

1. The current assessment exceeds the subject property's market value as of July 1, 2011.
2. The current assessment is too high and inequitable when compared to the assessments of similar properties.

Complainant's Requested Value:

[4] The Complainant was seeking an assessed value of \$2,680,000 for the subject property.

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

1. The current assessment exceeds the subject property's market value as of July 1, 2011.

[5] The Complainant submitted 4 sales comparables in support of his requested value of \$72.00 psf (Exhibit C1 pages 67 – 76). He indicated two of the sales are notably post facto, having sold in December 2011 and February 2012 (Exhibit C1 pages 72 – 74). He focussed on

the remaining two sales. The property located at 2835 23 ST NE sold in June 2011 for \$4,500,000 or \$70.00 psf. It is comprised of two multi tenant condominium titled industrial buildings, with a total of 64,356 sq. ft., built in 1978, located on 3.06 acres and has a site coverage ratio of 48.2% (Exhibit C1 pages 67 & 69). The second sale is a single tenant industrial warehouse located at 3650 12 ST NE (Exhibit C1 pages 70 & 71). This is also a post facto sale although it occurred on July 6, 2011, very close to the valuation date. It has approximately 51,520 sq. ft., built in 1974, located on 2.59 acres and has a site coverage ratio of 45.7%. It sold for \$4,135,000 or \$80.00 psf.

[6] The Respondent submitted 5 sales comparables in support of the assessed rate of \$94.88 psf. The 5 sales comparables are multi tenant warehouses located in the NE quadrant (Exhibit R1 page 16). The assessable building areas are 39,600 – 118,402 sq. ft., built in 1972 – 1997, with a finish of 3% - 53%, and a site coverage ratio of 36.46% - 45.17%. The sales occurred between September 2008 and June 2011. The time adjusted sale price is \$89.21 - \$105.07 psf.

[7] The Complainant submitted rebuttal evidence in regards to the sales comparables used in the Respondent's analysis (Exhibit C2 pages 1 & 2).

[8] The Board reviewed the sales comparables presented by both parties. The Board did not place any weight on the two post facto sales provided by the Complainant as they occurred 6 – 8 months after the valuation date of July 1, 2011. The Board finds the best sales comparable is the property located at 4826 11 ST NE (Exhibit R1 page 16). It is a multi tenant warehouse that has a similar location, assessable building area (39,600 sq. ft.), year of construction (1972), and site coverage (40.76%) as the subject property. It sold in February 2009 for \$3,900,000. The Respondent applied a time adjusted sales price of \$3,532,637 or \$89.21 psf. This sale supports the assessed value of the subject property. The Board notes the Complainant argued the sale is dated and questioned the time adjustment applied to the sale but did not provide any evidence to dispute the time adjustment applied by the Respondent. Moreover there was no evidence to suggest it is not a valid sale even if it was not used in the Model (Exhibit C2 page 1).

[9] The Board noted the Complainant submitted an Income Approach of \$72.00 psf (based on the actual rents within the subject property) and a Cost Approach of \$79.89 psf (based on a recalculation of the subject property's square footage at the hearing)(Exhibit C1 pages 25 - 59; 87 - 135). However the Board finds the best evidence before it pertained to the sales comparable at \$89.21 psf.

2. The current assessment is too high and inequitable when compared to the assessments of similar properties.

[10] The Complainant submitted 3 equity comparables in support of his request of \$72.00 psf (Exhibit C1 page 61). The equity comparables are industrial warehouses located in NE quadrant. The assessable building areas are 46,080 – 50,666 sq. ft., parcel sizes of 72,982 – 87,380 sq. ft., built in 1976 – 1979. The assessed rate for the buildings is \$72.00 - \$77.00 psf compared to the subject property's building which is assessed at \$81.00 psf.

[11] The Respondent submitted 5 equity comparables of multi tenant warehouses in support of the subject property's assessed rate of \$94.88 psf (Exhibit R1 page 18). The assessable

building areas are 32,406 – 77,830 sq. ft., parcel sizes of 1.58 – 5.64 acres, built in 1973 – 1980, finish of 13% - 50%, and site coverage of 30.50% - 40.66%. These equity comparables were assessed at a rate of \$89.70 - \$101.38 psf.

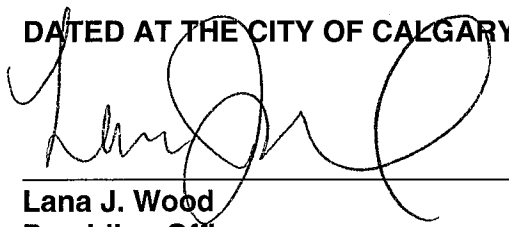
[12] The Board finds the Complainant's equity comparables exhibit a much higher site coverage ratio than the subject property. The Board noted that the Complainant failed to set out the site coverage for each of his equity comparables; however, it indicates a range of 57.32% - 69.42% which is not similar to the subject property's site coverage ratio of 41.34%.

[13] The Board finds the Respondent's equity comparables, specifically the properties located at 1423 45 AV NE and 1112 40 AV NE, are most similar to the subject property (Exhibit R1 page 18). The property located at 1423 45 AV NE is similar in terms of location, assessable building area (37,018 sq. ft.), parcel size (2.16 acres), year of construction (1973) and site coverage (39.26%). It was assessed at \$96.86 psf. The property located at 1112 40 AV NE is also similar in terms of location, assessable building area (33,000 sq. ft.), parcel size (1.62 acres), year of construction (1974) and site coverage 37.91%. It was assessed at \$101.38 psf. The Board finds that these equity comparables support the current assessment for the subject property at \$94.88 psf.

Board's Decision:

[14] The decision of the Board is to confirm the 2012 assessment for the subject property at \$3,580,000.

DATED AT THE CITY OF CALGARY THIS 20th DAY OF JULY 2012.



Lana J. Wood
Presiding Officer

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

NO.	ITEM
1. C1	Complainant's Evidence
2. C2	Complainant's Rebuttal
3. R1	Respondent's Evidence

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	Warehouse Multi Tenant	Income Approach Cost/Sales Approach	Net Market Rents/Lease Rates Capitalization Rate Land & Improvement Comparables Improvement Calculation Equity Comparables