

**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:

Adolph Woessner (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:	077028207
LOCATION ADDRESS:	2525 16 ST SE
HEARING NUMBER:	68447
ASSESSMENT:	\$3,150,000

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:

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

Property Description:

The subject property is comprised of two multi industrial warehouses situated on a 1.37 acre corner lot in Alyth/Bonnybrook, between train tracks (CPR Alyth Yard) and a residential area. The first warehouse was built in 1974. It has an assessable building area of 13,440 sq. ft., and 6% finish. It was assessed at a rate of \$122.52 psf. The second warehouse was built in 1978. It has an assessable building area of 11,520 sq. ft., and 10% finish. It was assessed at a rate of \$131.17 psf. Both warehouses were assessed with 41.92% site coverage. The land use designation is I-E, Industrial Edge.

Issues:

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: \$2,590,000

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.

The Complainant submitted the sales comparable located at 4207 17 ST SE in support of reducing the subject property's assessment to \$2,590,000 (Exhibit C1 page 75). The comparable is a multi bay warehouse located in Alyth/Bonnybrook. Built in 1963, it is comprised of 14,858 sq. ft. and is located on a 0.60 acre site. The site coverage ratio is 56.8%. The land use designation is I-R, Industrial Redevelopment District. It sold on July 4, 2011 for \$1,475,000 or \$99.27 psf.

The Respondent submitted 7 sales comparables of multi building industrial properties in support of the overall assessed rate of \$126.51 psf (Exhibit R1 page 25). The sales comparables, which

are located throughout the City, sold in August 2008 – May 2011. The assessable building areas are 6,900 – 69,906 sq. ft., situated on land parcels of 0.94 – 7.60 acres, built in 1961 – 2008, finish ratio of 0% - 38% and site coverage of 11.08% - 47.51%. These multi building sites sold for a time adjusted sales price of \$120.00 psf - \$146.00 psf.

The Complainant submitted rebuttal evidence in regards to the sales comparables used in the Respondent's analysis (Exhibit C2 pages 1 - 3).

The Board finds the best sales comparable is the property located at 4207 17 ST SE as it is similar to the subject property in location, site coverage and year of construction. It also provides the best indication of market value as it sold only 3 days after the valuation date of July 1, 2011. The Board reviewed the Respondent's sales comparables and found that they were not similar to the subject property in terms of location, age, finish and/or site coverage and therefore did not place much weight on them. The Board finds the sale of 4207 17 ST SE supports the Complainant's request of \$2,590,000 and has therefore applied a blended rate of \$103.77 psf to the subject property.

In addition, the Board notes the assessed value of \$2,590,000 was further supported by the Complainant's Income Approach to value (Exhibit C1 page 65). The Board placed little weight on the Complainant's Cost Approach to value the subject property, as he acknowledged at the hearing, it derived a very low value of \$810,000 (Exhibit C1 page 97).

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

The Complainant submitted four equity comparables in support of his request of \$2,590,000 (Exhibit C1 page 67). The warehouses are all located in Alyth/Bonnybrook; two of which have the same I-E (Industrial Edge) land use designation as the subject property. The assessable building areas are 44,132 sq. ft. – 66,790 sq. ft., situated on 1.6 acres – 5.14 acres of land, and have site coverage ratio of 30% - 63%. The assessments are \$1,730,000 - \$6,100,000.

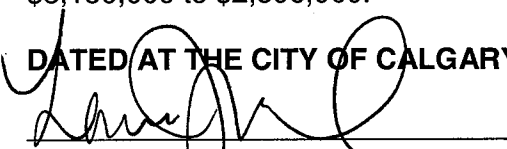
No equity comparables were submitted by the Respondent in support of the subject property's assessment.

The Board finds the three most similar equity comparables to the subject property have land parcels of 1.6 acres – 3.69 acres, two of which share the same land use designation as the subject (I-E, Industrial Edge), and above typical site coverage. The assessed value for these three properties is \$1,730,000 - \$2,890,000. The Board is satisfied that the revised value of \$2,590,000 for the subject property is fair and equitable given that range.

Board's Decision:

The decision of the Board is to revise the 2012 assessment for the subject property from \$3,150,000 to \$2,590,000.

DATED AT THE CITY OF CALGARY THIS 4 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