

**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:

***Markus F. Langensiepen and Karin C. Langensiepen
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:	115063000
LOCATION ADDRESS:	6703 30 ST SE
HEARING NUMBER:	68424
ASSESSMENT:	\$4,620,000

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 bay industrial warehouse, situated on a 3.72 acre parcel (adjacent to the train tracks) in Foothills Industrial. The warehouse was built in 1974. It has an assessable building area of 51,438 sq. ft., 4% finish and 31.16% site coverage. It was assessed with a quality C rating. The overall assessed rate is \$91.70 psf. The land use designation is I-G, Industrial General.

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 is seeking an assessed value of \$3,660,000 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 the 5 sales comparables in support of reducing the subject

property's assessment to \$3,660,000 or \$72.00 psf (Exhibit C1 pages 70 - 84). The comparables are a combination of single tenant and multi tenant buildings located in the SE quadrant. The assessable building areas are 60,850 – 187,828 sq. ft., parcels 2.60 – 10.22 acres, built in 1970 – 1996, and site coverage of 39.63% - 61.06%. These properties sold in April 2010 – September 2011 for \$68.00 - \$84.00 psf. The Complainant noted two of his sales comparables are post facto, the sale occurring after the valuation date of July 1, 2011 (Exhibit C1 pages 73 – 75; 79 – 81).

[6] The Respondent submitted 6 sales comparables of single and multi tenant industrial warehouses in support of the overall assessed rate of \$91.70 psf (Exhibit R1 page 19). These comparables, located in the SE quadrant, had sold in July 2008 – April 2011. The assessable building areas are 32,338 – 165,347 sq. ft., situated on land parcels of 3.76 – 14.01 acres, built in 1980 – 2008, finish ratio of 8% - 49% and site coverage of 15.37% - 50.93%. These properties warehouses sold for a time adjusted sales price of \$85.85 psf - \$147.33 psf.

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

[8] The Board finds the best sales comparable is the single tenant warehouse located at 5049 74 AV SE that sold in April 2011 (Exhibit R1 page 19). The Board finds it is similar to the subject property in parcel size (3.76 acres), assessable building area (55,000 sq. ft.), year of construction (1982), location (Foothills Industrial) and site coverage (30.43%). It also provides the best indication of market value as it sold on April 29, 2011 for a time adjusted sale price of \$86.48 psf. The Board noted that the Complainant agreed this sale supported a reduced rate for the subject property (Exhibit C2 page 2). The Board also took into consideration the Complainant's post facto sale, the single tenant warehouse located at 4975 12 A Street SE, as an indicator of market trends (Exhibit C1 pages 73 & 74). It is a single tenant warehouse, built in 1996, in South Highfield. It has an assessable building area of 60,850 sq. ft., on a 2.60 acre parcel. It sold in September 2011 for \$84.00 psf.

[9] Based on the best sales comparables, the Board finds an assessed rate of \$84.00 psf is more appropriate for the subject property.

[10] The Board noted the Complainant submitted an Income Approach of \$72.00 psf and a Cost Approach of \$64.00 psf (Exhibit C1 pages 26 – 60; 94 - 143). However the Board finds the best evidence before it pertained to the two sales comparables at \$84.00 and \$86.00 psf.

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

[11] The Complainant submitted 5 equity comparables in support of his request of \$72.00 psf (Exhibit C1 page 62). The equity comparables are multi bay warehouses located in Foothills Industrial. The assessable building areas are 44,700 – 77,761 sq. ft., parcel sizes of 2.38 – 4.55 acres, built in 1973 – 1980, and site coverage ratio of 38% - 53%. The Complainant highlighted the property located close to the subject property at 7703 30 ST SE as his best comparable which is assessed at \$80.00 psf.

[12] The Respondent submitted 5 equity comparables of single and multi tenant warehouses in support of the assessed rate of \$91.70 psf (Exhibit R1 page 21). The assessable building

areas are 56,992 – 94,208 sq. ft., parcel sizes of 3.37 – 5.64 acres, built in 1975 – 1980, finish of 6% - 23%, and site coverage of 25.12% - 40.59%. These equity comparables were assessed at a rate of \$75.33 - \$98.03 psf.

[13] The Board finds the best equity comparable referred to by both parties is the property located at 7703 30 ST SE which was assessed at \$82.40 psf (Exhibit C1 page 62; Exhibit R1 page 21). It is located in close proximity to the subject property. It is most similar to the subject property in terms of parcel size (4.55 acres), assessable building area (73,659 sq. ft.), year of construction (1975), finish (6%) and site coverage (36.33%). The Board finds that this equity comparable also provides further support for the \$84.00 psf rate that was derived based on the best sales comparable evidence.

Board's Decision:

[14] The decision of the Board is to revise the 2012 assessment for the subject property from \$4,620,000 to \$4,230,000 (truncated).

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