

**CALGARY
COMPOSITE 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:

Quik X Properties Inc. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

S. Barry, PRESIDING OFFICER

R. Kodak, MEMBER

D. Morice, MEMBER

This is a complaint to the Composite Assessment Review Board (CARB) in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2011 Assessment Roll as follows:

ROLL NUMBER:	200533727
LOCATION ADDRESS:	5959 90 Ave. S.E. Calgary, Ab.
HEARING NUMBER:	64521
ASSESSMENT:	\$6,430,000

This complaint was heard on the 16th day of June, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *D. Mewha*

Appeared on behalf of the Respondent:

- *I. McDermott*

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

No Procedural or Jurisdictional matters were raised at the hearing. Please see reference to common material in CARB 0865/2011-P.

Property Description:

The property under complaint is an industrial warehouse located in the South Foothills industrial district on a 7.82 acre parcel that is classified under the Land Use Bylaw as Industrial – General (IG). There is one building on the parcel, constructed in 2003, with an assessable area of 36,214 square feet (sq.ft.) and is assessed at \$177 per sq.ft.. The building represents 9.80% site coverage and the 2011 Assessment Explanation Supplement notes that there is extra land in the amount of 5.26 acres.

Issues:

The Complaint Form raises some twelve issues or grounds of complaint which can be summarized as follows:

1. The City has used the incorrect valuation method: the correct valuation method is the income approach.
2. The property details are incorrect as is the application of relevant influences.
3. The assessment is too high and reflects neither market value nor equity.

Complainant's Requested Value: An assessment of \$4,200,000 was requested on the Complaint Form. At the hearing, the request was amended to \$5,100,000.

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

1. The Complainant's initial argument with respect to valuation method was not advanced at the hearing. The merit arguments were based on the Direct Sales Approach as was used by the Respondent in generating the assessment. The Board, then, did not explore or

decide on that issue.

2. The Complainant's issues with respect to property details reflect the Supplement notes that there is extra land. However, the Respondent affirmed that he did not apply an adjustment for land and no decision on that issue was required by this Board. Other issues regarding possible adjustments for multiple buildings and South Foothills servicing issues were dealt with under the decision on market value and equity.
3. In support of the requested assessment, the Complainant referenced, as his best comparable, a sale in June of 2009 of a property at 9415 48 St. S.E., which sold for \$3,900,000. The parcel size is smaller than the subject by 3.12 acres; contains two buildings, not one, which are smaller, in total, by some 8,600 sq.ft. and which are about nine years older in terms of year of construction. As noted in decision 0865/2011-P, the sale is subject to a vendor lease back and is, at best, a compromised comparable. Another property addressed by the Complainant is the subject of decision 0865/2011-P and is about one acre larger in parcel size, and much different in terms of year of construction. While the Complainant referenced a previous CARB decision on the subject property, no direct evidence was provided to this Board, at this hearing, that deals with a method for adjusting for those factors. A third comparable at 6215 86 Ave. S.E. is considerably older in terms of year of construction although similar in building size but the parcel size is smaller by 3.67 acres and again, the Board was given no direction in accounting for necessary adjustments.

In terms of equity, the Complainant relies primarily on a property at 5515 98 Ave. S.E. (the Kindersley property) which is significantly larger than the subject at 19.60 acres and, although it has similarly-sized buildings in the aggregate, the property is assessed at its highest and best use as land only. The Complainant argued that this land, that is used for purposes similar to the subject, is assessed at land value only and that creates an inequity with the subject where both the land and the buildings are assessed. It was not a good comparable nor were other offerings that are vacant land or have smaller improvements.

It was noted that South Foothills properties are subject to varying rates of Local Improvement Levies with respect to various infrastructure projects that do, or will, benefit the properties; however, the schedule of levies in the Complainant's documentation was not specific to the property under appeal. The Complainant legitimately noted that with more "influences" being adjusted within the assessment model, which is not publically accessible, it is impossible to determine what allowances, if any, have been applied to the properties under complaint.

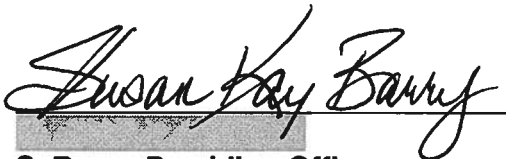
The Respondent provided sales comparables that were not helpful because of age of improvement, sizes and lack of adjustment and sales detail information. Two of the Respondent's equity comparables provided guidance to the Board, those being: 5865 90 Ave. S.E. and 8460 60 St. S.E. although the latter presents similar difficulties, as previously noted, with respect to building age and site coverage. Multi-building discounts applied by the Respondent are referenced with respect to various comparables but are not open to review because they are coefficients buried in a model that is not open to scrutiny. Likewise, the Respondent notes that the South Foothills adjustment was applied but not in a manner visible to the Board. The Respondent confirmed that the subject property has not been assessed for additional land.

Although the Board found defects with the information provided by the Respondent, particularly with respect to the "hidden" adjustments that can't be demonstrated or weighed, there was also insufficient solid evidence from the Complainant to justify changing the assessment.

Board's Decision:

The 2011 assessment is confirmed at \$6,430,000.

DATED AT THE CITY OF CALGARY THIS 29 DAY OF JUNE 2011.



S. Barry, Presiding Officer

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

NO.	ITEM
1. C1	Complainant's Disclosure
2. R1	Respondent's 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.*