

**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:

MSI Inc (as represented by Assessment Advisory Group Inc), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

S. Rourke, MEMBER

J. Rankin, 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:	091030700
LOCATION ADDRESS:	1288 42 AV SE
HEARING NUMBER:	67344
ASSESSMENT:	\$6,660,000

This complaint was heard on the 3rd day of July, 2012 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- Mr. S. Cobb (Assessment Advisory Group Inc)
- Mr. T. Youn (Assessment Advisory Group Inc)

Appeared on behalf of the Respondent:

- Mr. J. Greer (City of Calgary)

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

[1] There were no concerns with the Board as constituted.

[2] There were no preliminary matters. The merit hearing proceeded.

Property Description:

[3] The subject property is a 2.69 acre parcel located in the Highfield Industrial Park in SE Calgary. The site is improved with a 39,284 square foot (SF) single bay warehouse that was constructed in 1998. The Finish is 50%, the Site Coverage is 33.57% and the Assessable Building Area is 52,427 SF. The subject is assessed at a rate of \$127.04/SF utilizing the Sales Comparison approach to value. The parcel is an irregular shape and is bounded by rail lines on the north and east sides. The building is deemed to be of B quality.

Issues:

[4] The Assessment Review Board Complaint Form contained 2 Grounds for Complaint, namely: "The assessed value is not reflective of the property's market value" and "The assessed value is inequitable with comparable property assessments".

Complainant's Requested Value: \$6,290,000 (Complaint Form)
\$5,190,000 (Hearing)

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

Issue What is the market value of the subject property, for assessment purposes?

[5] The Complainant's Disclosure is labelled C-1.

[6] The Complainant submitted the assessment value is not reflective of the property's market value as it does not properly consider the area sales data and the characteristics of the property. The Complainant argued there is no valid evidence in the market supporting the City's 10% increase in the assessment of the subject.

[7] The Complainant, at page 13, submitted a list entitled Southeast Industrial Sales From July 1, 2008 To July 31, 2011 (Size Range 20,000 Sq. Ft. to 70,000 Sq. Ft.), as reported by RealNet. Five sales from the list were selected for further analysis.

[8] The Complainant, at page 16, provided a chart titled 2012 Property Assessment Comparable Report and noted that all chosen sales were two storey warehouses. The Complainant further noted there was a difference in the building square footage as reported by RealNet and the City's assessment data in 4 of the 5 comparables. Nevertheless, the Complainant noted the 5 comparables had sale prices ranging from \$86.54/SF to \$109.76/SF and an average of \$99.30/SF, in support of his request for an assessment at the rate of \$99.30/SF. The Complainant submitted the best comparable was the property located at 4410 46 AV SE noting it sold on July 28, 2011 for \$100.85/SF.

[9] The Respondent's Disclosure is labelled R-1.

[10] The Respondent, at page 11, included a chart titled 2012 Industrial Sales Chart (Highfield sales around subject property size range) which included 3 sales with time adjusted sale prices per square foot (TASP/SF) ranging from \$82.52 to \$157.58. The Respondent submitted the sale at 4020 9 ST SE for \$82.52/SF was not a good comparable because of the age of the building (1974) compared to the subject (1998). The remaining two sales were in close proximity to the subject and of similar vintage.

[11] The Respondent, at page 13, provided a chart titled 2012 Industrial Sales Chart (AYOC 1997 – 1999 sales around subject size range) which included 6 sales with TASP/SF ranging from \$91.68 to \$149.39 and a median of \$123.28, noting the subject is assessed at the rate of \$127.04/SF.

[12] The Respondent, at page 14, provided a chart titled 2012 Industrial Sales Chart (Central district sales around subject property size range) which included 8 sales with TASP/SF ranging from \$82.35 to \$157.58 and a median of \$122.00, again noting the subject is assessed at the rate of \$127.04/Sf.

[13] The Board finds the Complainant's sales comparables on page 16 of C-1 are not comparable for the following reasons:

4315 72 AV SE is old (1979) and of a lesser quality(C)

6204 6A ST SE is old (1972) and of a lesser quality(C)

5049 74 AV SE is old (1982)

4311 122 AV SE is located in a different market area (East Shepard),

and the sale of the property at 4410 46 AV SE (the Complainant's best comparable) is reported as a "leaseback" and therefore invalid as a comparable.

[14] The Board finds the Respondent's sales comparables on page 13 of R-1 are the most compelling evidence with TASP/SF ranging from \$91.68 to \$149.39 while the subject is assessed at \$127.04.

[15] The Board finds the sale of the property located at 1320 Highfield CR SE with a TASP/SF of \$139.11, as reported on page 14 of R-1, is the best comparable in the central region.

Issue Is the assessment of the subject property inequitable?

[16] There were no equity comparables submitted by the Complainant to support its allegation.

Board's Decision:

[17] The 2012 assessment is confirmed at \$6,660,000.

Reasons:

[18] The Respondent's market evidence was more compelling.

[19] There was no evidence submitted by the Complainant to support its allegation that the assessment was inequitable.

DATED AT THE CITY OF CALGARY THIS 2 DAY OF August 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

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	Single-bay	Sales Approach	Market value