

**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:

***CENTURY PARK PROPERTIES INC., COMPLAINANT  
(Represented by Colliers International Realty Advisors Inc.)***

and

***The City Of Calgary, RESPONDENT***

before:

***Board Chair P. COLGATE  
Board Member P. PASK  
Board Member D. STEELE***

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: 070025432**

**LOCATION ADDRESS: 707 BARLOW TRAIL SE**

**FILE NUMBER: 66019**

**ASSESSMENT: \$14,240,000.00**

This complaint was heard on 24th day of July, 2012 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- Troy Howell, Colliers International Realty Advisors Inc. – Representing Century Park Properties Inc.

Appeared on behalf of the Respondent:

- Magan Lau – Representing the City of Calgary
- Jason Tran – Representing the City of Calgary

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

[1] The Board derives its authority to make this decision under Part 11 of the Municipal Government Act (the "Act").

[2] The parties had no objections to the panel representing the Board as constituted to hear the matter. No jurisdictional or procedural matters were raised at the outset of the hearing, and the Board proceeded to hear the merits of the complaint.

**Property Description:**

[3] The subject property contains a single, multi-tenanted industrial warehouse located at 707 Barlow Trail SE in the Mayland Industrial area. The structure, situated on a 37.2 acre parcel, has a total assessable building area of 177,635 square feet. The structure was built in 1965. The site coverage is 27.09%. The subject property has been valued, based upon the Direct Sales Comparison Approach, for \$14,240,997.95 or \$80.17 per square foot.

[4] Information was presented to the Board the site area has been split into 15 acres at market value and 22.2 acres at farmland value. The Board was advised by the Respondent the portion identified as farmland had not been valued in the assessment as it was a "negligible" amount. The assessment was calculated on a site area of 15 acres only.

**Complainant's Requested Value:** \$ 11,550,000.00

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

[5] In the interest of brevity the Board will restrict its comments to those items the Board found relevant to the matters at hand. Furthermore, the Board's findings and decision reflect on the evidence presented and examined by the parties before the Board at the time of the hearing.

[6] Both the Complainant and the Respondent submitted background material in the form of aerial photographs, ground level photographs, site maps and City of Calgary Assessment Summary Reports and Sales Comparison Approach Valuation reports.

**ISSUE:**

**Has the subject property been over assessed as a result of an incorrect rate per square foot?**

Complainant's Evidence:

[7] The complainant submitted sales of two warehouse properties in the southeast quadrant of the City of Calgary in the Manchester Industrial area – 415 Manitou Road SE and 303 58 Ave SE. (C1, Pg. 15) The Board reviewed the information below:

Address	Community	Sold Date	YOC	Building Type	Building Area (SQ. FT.)	Land Size (Acres)	Site Coverage (%)	Assessed Value (\$)	Square Foot Rate (\$/Sq. Ft.)
Subject									
707 Barlow Tr. SE	Mayland		1965	IW M	177,635	15	27.09	14,240,000	80.17
Comparables								Sale Price (\$)	
415 Manitou Rd SE	Manchester	1/27/2011	1966	IW S	121,622	4.49	62.18	7,961,530	65.00
303 58 Ave SE	Manchester	4/20/2010	1970	IW M	133,325	6.59	52.00	8,750,000	65.63
Median									65.55
Average									65.55

IW S – Industrial Warehouse 2 or less units

IW M – Industrial Warehouse 3 or more units

[8] The Complainant provided supporting documentation from RealNet for the two sales presented. (C1, Pg. 16-19)

[9] The Complainant stated the requested assessment was based on the rate of \$65.00 per square foot. The Complainant acknowledged the comparables were smaller buildings on smaller parcels with correspondingly higher site coverage than the subject property.

Respondent's Evidence

[10] Out of a stated inventory of approximately 170 sales, the Respondent presented six sales to support the subject property assessment. (R1, Pg. 13) The Board reviewed the information below:

Address	NRZ	Sold Date	YOC	Building Type	Building Area (SQ. FT.)	Finish (%)	Land Size (Acres)	Site Coverage (%)	Assessed Value (\$)		Square Foot Rate (\$/Sq. Ft.)
Subject											
707 Barlow Tr. SE	MY1		1965	IW M	177,638	7.0	15.0	27.09	14,240,998		80.17
Comparables									Sale Price (\$)	Time Adjusted Sale Price (\$)	TASP/ SQ. FT
4141 110 Ave SE	DU1	19-12-2008	2007	IW M	139,193	49.0	6.27	50.93	13,600,000	11,950,268	85.85
930 64 Ave NE	DF2	02-03-2011	1997	IW M	118,402	9.0	6.40	42.54	12,600,000	12,440,729	105.07
10905 48 St SE	DU1	27-04-2010	2008	IW M	142,672	39.0	7.56	43.31	18,300,000	17,614,769	123.46
11195 42 St SE	DU1	19-12-2008	2007	IW M	158,278	10.0	8.55	42.66	16,400,000	14,410,617	91.05
5300 86 Ave SE	FO1	26-08-2008	1998	IW S	165,347	8.0	14.01	27.10	20,000,000	16,537,783	100.02
6732 8 St NE	DF2	27-08-2008	1990	IW M	111,501	36.0	9.65	26.52	16,990,530	14,049,285	126.00
Median											102.55
Average											105.24

[11] The Respondent submitted the subject property at a rate of \$80.17 per square foot is an older structure than the comparables provided and accordingly has a lower rate per square foot.

[12] When questioned the Respondent stated the best comparable to the subject was 5300 86 Avenue SE which were similar in most respects except for year of construction (YOC). The Respondent stated a change to the year of construction would result in a time adjusted sale price similar to the rate applied to the subject property.

[13] The Respondent emphasized the assessment was not based solely on the comparables provided but on an analysis of approximately 170 sales of warehouse properties.

[14] The Respondent, in response to the Complainant's comparables stated there was a general inverse relationship between the site coverage and the rate per square foot. Generally as site coverage increases the rate per square foot will be lower, if all other factors are equal.

#### Findings of the Board

[15] The Board found when reviewing the sale at 303 58<sup>th</sup> Avenue SE, submitted by the Complainant, the RealNet document states the area as 121,375 square feet. If the Board uses this RealNet area, then the sale price per square foot would calculate at \$72.09 per square foot. The Board is unable, from the evidence submitted, to reconcile the difference between the Complainant's table on C1, Pg. 15 and the RealNet document on C1, Pg. 18. Therefore the Board places less weight on the Complainant's second comparable.

[16] The Board found only one supportable sale was insufficient evidence to warrant a change to the assessment

[17] The Board found the Respondent's comparables, although for newer properties,

provided a range of rates which supported the rate placed on the subject property.

**Decision of the Board**

[18] On review and consideration of all the evidence before it in this matter, the Board found the Complainant's evidence was not sufficient to convince the Board the subject assessment was in error.

[19] The Board confirms the assessment at \$14,240,000.00

DATED AT THE CITY OF CALGARY THIS 28 DAY OF AUGUST 2012.

A handwritten signature in black ink, appearing to read 'Philip Colgate', written over a horizontal line.

**PHILIP COLGATE**  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. R2	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.*

**LEGISLATIVE REQUIREMENTS****MUNICIPAL GOVERNMENT ACT****Chapter M-26**

1(1)(n) "market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

**Division 1****Preparation of Assessments****Preparing annual assessments**

**285** Each municipality must prepare annually an assessment for each property in the municipality, except linear property and the property listed in section 298. RSA 2000 cM-26 s285;2002 c19 s2

**289(2)** Each assessment must reflect (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property,

**ALBERTA REGULATION 220/2004****Municipal Government Act****MATTERS RELATING TO ASSESSMENT AND TAXATION REGULATION**

1(f) "assessment year" means the year prior to the taxation year;

**Part 1****Standards of Assessment****Mass appraisal**

**2** An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

**Valuation date**

**3** Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.

**FOR ADMINISTRATIVE USE**

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouse	Warehouse Single Tenant	Cost/Sales Approach	- Equity Comparables