

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the business assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

between:

***Ultimate Financial Corp. (as represented by Assessment Advisory Group Inc.),  
COMPLAINANT***

and

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

before:

***Board Chair, Earl K Williams  
Board Member, D Julien  
Board Member, A Zindler***

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: 091029967**

**LOCATION ADDRESS: 5055 12A St SE**

**HEARING NUMBER: 67835**

**ASSESSMENT: \$2,620,000**

This complaint was heard on 9 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:

- S Cobb
- T Youn
- D Bowman (Observer)

Appeared on behalf of the Respondent:

- J Greer

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

[1] No Procedural or Jurisdictional Matters were raised by the parties.

**Property Description:**

[2] The subject property located at 5055 12A St SE in the Community of Highfield built in 1996 on a 0.78 acre parcel of land improved with a 16,810 square foot (sq ft) warehouse. The land use is Industrial-General (I-G), the property has an Industrial Property Use and Subproperty Use IN0606 Warehouse–With Internal Office Space. The subject property has been assigned a traffic collector influence and a Quality A2 classification.

**Issues:**

[3] The Quality classification was changed from an A- to a A2 even though there was no change in the subject property. Therefore, the assessed value is not reflective of the market value as it does not consider the characteristics of the buildings and comparable values in the area.

**Complainant's Requested Value:** \$2,020,000

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

[4] The Complainant and Respondent presented a wide range of relevant and less relevant evidence.

[5] The Complainant's evidence package included a Summary of Testimonial Evidence, the City of Calgary 2012 Property Assessment Notice, the Property Assessment Detail Report, the 2012 Industrial Assessment Explanation Supplement, a site plan, interior and exterior photographs of the subject property, the Property Assessment Summary Report for the subject property and comparables, the RealNet Industrial Transaction Summary for selected comparables and a copy of the City of Calgary 2012 Property Assessment Range of Key Factors, Components and Variables – 2012 Industrial.

[6] The Respondent's evidence package included a Summary of Testimonial Evidence; the

2012 Assessment Explanation Supplement for the subject property, an aerial photograph identifying the location of the subject property, exterior photographs of the subject, details on a number of sale and equity comparables.

### Complainant

[7] In support of their position that the quality classification of the subject is incorrect the Complainant reviewed exterior and interior photographs (pages 11 to 14 of Exhibit C-1) of the subject property to show that the property is primarily utilized as a production area for a renovation company. The subject is not an A2 quality which the Complainant reported signify a prestige building with high quality finishes and systems.

[8] As further support for the incorrect classification the Complainant reviewed the information on how office properties are valued (pages 32 and 33 of Exhibit C-1) and argued that the Class AA description on page 32 does not define the subject. The subject does not have high quality standard finishes and state of the art systems.

[9] The Complainant analyzed 5 properties which were utilized as comparables to the subject. The Complainant identified 2 as sales comparables and 3 as equity comparables. However, one of the sale comparables was not an arm's length transaction and would be excluded as a comparable.

[10] The table on page 3 of Exhibit C-1 presented information on sale and equity comparables which was supported by Property Assessment Summary Reports and were applicable the RealNet Industrial Transaction Summary. Four of the comparables in the table on page 3 are Subproperty use IN0606 Warehouse-With Internal Office Space which is same as the subject. The Complainant advised that the table on page 3 did not include 1 additional comparable, the details for which were provided on pages 18 of Exhibit C-1.

[11] Based on the evidence presented the following table presents the Complainant's equity and sale comparables to the subject property on a number of key variables utilized for comparing industrial properties. For purposes of comparison the 2012 Assessment was expressed on a per square foot (psf) basis calculated on the building area.

Address	Type of Comparable	Community	Quality	AYOC*	Land Size (acres)	Bldg Area (sq ft)	2012 Assessed Value psf **
<b>Comparables</b>							
3528 80 Av SE	Sale	Foothills	C	1973	.96	19,960	\$91.18
7725 46 ST SE	Sale	Foothills	C+	1981	.97	16,800	118.45
5050 11 St SE	Equity	Highfield	B	1992	.60	9,978	\$175.39
4301 9 St SE	Equity	Highfield	C-	1964	.92	14,700	\$130.61
402 53 Av SE	Equity	Manchester	C	1975	.74	18,338	\$112.34
<b>Subject</b>							
5055 12A St SE		Highfield	A2	1996	.78	16,810	\$156.26

\* Approximate Year of Construction

\*\* Assessment Value expressed on per square foot basis

The Complainant argued that the range of the 2012 assessed value psf is \$91.18 to \$175.39 with a median of \$118.45psf.

[12] The Complainant argued that the evidence demonstrates that the subject property is incorrectly classified as an A2 Quality and the assessment reduced to the requested amount.

## Respondent

[13] The Respondent's evidence focused on a review of sales and equity comparables that are very similar to the subject on the key variables utilized for comparing industrial properties.

[14] In respect of sales the Respondent provided information on sales of industrial properties in the Central region with AYOC in the 1990's (page 13 of Exhibit R-1) and in the Highfield community (page 14 of Exhibit R-1). The following table presents the details on the sales comparables in the Highfield community.

Address	Building Type*	NRZ**	Parcel Size (acres)	Bldg Area (sq ft)	AYOC	Transaction Date	TASP psf ***
<b>Comparables</b>							
1107 46 AV SE	IW S	HF2	0.79	9,500	1966	2009-08-26	\$220.37
3611 9 ST SE	IW S	HF1	1.28	13,400	1960	2010-07-07	\$132.89
4301 9 ST SE	IW M	HF1	0.92	14,700	1964	2009-04-20	\$117.51
5020 12A ST SE	IW S	HF2	1.60	25,350	1998	2010-03-24	\$157.58
<b>Subject</b>							
5055 12A St SE	IW S	HF2	0.78	16,810	1996		<b>Ass. Rate psf****</b> \$156.26

\* Building Type: IW S - Industrial Warehouse 2 or less units; IW M - Industrial Warehouse 3 or more units

\*\*HF1 – Highfield 1; HF2 – Highfield 2

\*\*\* Time Adjusted Sale Price per square foot

\*\*\*\* Assessment Rate per square foot

The Respondent argued that the 4 sales comparables support the assessment of \$156.26 psf. The comparable at 5020 12A ST SE is very comparable to the subject in terms of location, building type, HF2 NRZ, and both have a AYOC in the mid 1990's. The comparable's TASP is \$157.58 psf and the assessment is \$156.26 psf.

[15] The Respondent presented a table titled 2012 Industrial Equity Chart (page 16 of Exhibit R-1) which compared the subject with 7 comparables on the variables utilized by the City as the key factors and variables for industrial property assessment. In summary the 7 comparables are all located in the community of Highfield, 6 of the comparables are classified as IWS, with a median AYOC of 1997, and a median building area of 16,414 sq ft. The subject is classified as IWS, has a 1996 AYOC and a building area of 16,810 sq ft. The median assessment for the 7 equity comparables is \$164.05 psf which compares favourably with the subjects assessment of \$156.26 psf.

[16] In summary the Respondent argued that based on the sale and equity comparables the subject property is fairly assessed.

## Board Findings

[17] In respect of the quality classification of the subject property the Complainant's comparables and the use of the office assessment criteria to support a change in quality were insufficient to support a change in the quality classification.

[18] The Respondent's market sale and equity comparables on a number of key factors and variables compared favourably to the subject. The sales comparable located at 5020 12A ST SE is very similar to the subject on a number of factors and had a TASP of \$157.58 compared to the subject's assessment rate of \$156.26. The median assessment for the 7 equity comparables, again very similar to the subject on a number of factors, was calculated to be \$164.05 compared to the subject's assessment rate of \$156.26.

**Board's Decision:**

[19] Based on the evidence presented to the Board the quality classification is confirmed as A2 and the assessment is confirmed at \$2,620,000.

DATED AT THE CITY OF CALGARY THIS 12 DAY OF September 2012.



**Earl K Williams**  
**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. 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**

Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouse	Single Tenant	Quality Class	