

**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:

Compact Properties Ltd. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, J. Zezulka
Board Member, J. Rankin
Board Member, S. Rourke***

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: 033025404

LOCATION ADDRESS: 4623 - 12 Street NE

HEARING NUMBER: 66813

ASSESSMENT: 2,130,000.00

This complaint was heard on the 18 day of July, 2012, at the office of the Assessment Review Board located at Floor Number Four, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom Four.

Appeared on behalf of the Complainant:

- *C. Van Staden*

Appeared on behalf of the Respondent:

- *J. Young*
- *M. Hartmann*

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

(1) At the outset of the hearing, the Complainant objected to the inclusion of certain documents contained in the Respondent's submission, on the grounds that the information contained on those pages was confidential, and could possibly prejudice the client. By agreement between the parties, pages 173 and 174 of exhibit R1 were removed from the evidence package, and other items on exhibit C3 were redacted.

Property Description:

(2) The subject is a multi tenant industrial warehouse, located in the McCall industrial district, of NE Calgary. The assessable building area is 15,525 s.f. The date of construction is 1969. The building height is 14 ft. The site area is 1.29 acres. Site coverage is 27.54 per cent. The City has 0.101983471 acres classified as extra land.

Issues / Appeal Objectives

(3) The property is currently being assessed using the sales comparison approach. The assessment calculates to \$137.25 per s.f. of building, including extra land. The Complainant does not dispute the valuation method. However, the Complainant maintains that the assessment amount is in excess of its market value for assessment purposes.

Complainant's Requested Value: \$1,910,000, based on \$123.03 per s.f.

Evidence / Argument

(4) In support of the argument, the Complainant submitted seven sales comparables in the NE quadrant of the City. Building sizes ranged from 13,347 to 18,647 s.f. which brackets the subject size. Site areas range from 0.30 to 2.62 acres. All except two of the comparable buildings are newer than the subject. The median time adjusted selling price was \$123 per s.f.

(5) The Complainant also submitted a cost summation test that resulted in a value indication of \$1,351,296, or \$87 per s.f. However, the Board considers the depreciation estimate, at 70.6 per cent, to be too aggressive, and places little weight on the cost results.

(6) The Complainant's income calculations produce a result of \$1,802,903 to \$1,847,976, or \$116 to \$119 per s.f. None of the inputs used were well supported.

(7) The Respondent submitted 11 sales comparable, including the ones used by the Complainant. Building sizes range from 8,030 to 18,024 s.f. The Respondent discarded the smallest property because of building size. According to the Respondent, the most comparable property is a single tenant warehouse at 2420 - 39 Avenue NE. The building is slightly larger than the subject, and is newer, but site sizes are similar. The time adjusted selling price of the comparable is \$158 per s.f.

(8) Neither party addressed the question of equity.

Board's Decision

(8) The Board does not accept the Complainant's cost calculations because, in the opinion of the Board, the depreciation rate applied is too aggressive, and does not reflect typical market behaviour.

(11) The Respondent's comparable sales evidence is considered equal to or superior to the evidence submitted by the Complainant. The onus is on the Complainant to show that an error exists in the existing assessment. The Complainant failed to do that to the satisfaction of the Board.

(12) The assessment is confirmed at 2,130,000.00.

DATED AT THE CITY OF CALGARY THIS 29 DAY OF August, 2012.



Jerry Zezulka
Presiding Officer

APPENDIX "A"

DOCUMENTS PRESENTED AT THE HEARING AND CONSIDERED BY THE BOARD:

NO.

ITEM

1. C1 General Rebuttal Submission of the Complainant
2. C2 Follow up Rebuttal Submission of the Complainant
3. C3 Complainant Evidence Submission
4. C4 Complainant Site Specific Rebuttal Submission
2. R1 Evidence Submission of the Respondent

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.

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Decision No. 1137/2012 - P			Roll No. 033025404	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial	Sales comparables		Market value