

**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:

London Plaza Limited (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: 033047705

LOCATION ADDRESS: 1324 - 36 Avenue NE

HEARING NUMBER: 68490

ASSESSMENT: 5,640,000.00

This complaint was heard on the 19 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 73 and 74 of exhibit R1 were removed from the evidence package, and certain items on exhibit C3 were redacted.

(2) Pages 27 to 29 of Exhibit R-1 were excluded from the evidence since they were not submitted in accordance with sections 299 and 300 of the Municipal Government Act.

Property Description:

(3) The subject is a single tenant industrial warehouse, located in the McCall industrial district, of NE Calgary. The assessable building area is 70,522 s.f. The date of construction is 1976. The site area is 2.78 acres. Site coverage is 50.83 per cent.

Issues / Appeal Objectives

(3) The property is currently being assessed using the sales comparison approach. The assessment calculates to \$78.94 per s.f. of building. 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: \$4,090,000

Evidence / Argument

(4) In support of the argument, the Complainant submitted six sales comparables in the NE quadrant of the City. Building sizes ranged from 59,573 to 96,804 s.f. which brackets the subject size. Site areas range from 3.56 to 8.70 acres. All except two of the comparable buildings are newer than the subject. The median time adjusted selling price was \$76 per s.f.

(5) Of the six comparables, one is a multi building site, and one was a manufacturing facility that is not normally considered comparable to industrial properties. The Complainant considered the property at 3905-29 Street NE to be a good comparable. That property reflected a time

adjusted selling price of \$76 per s.f. However, that building is 35 per cent larger than the subject. Similarly, the site is 2.22 acres larger. The comparable's site coverage is lower than the subject's.

(6) The Complainant also submitted a cost summation test that resulted in a value indication of \$4,323,562, or \$61 per s.f. However, the Board considers the depreciation estimate, at 52.8 per cent, to be too aggressive, and places little weight on the cost results.

(7) The Complainant submitted five equity comparisons that reflected assessments between \$68 and \$82 per s.f.

(8) The Respondent submitted four comparable properties, including one used by the Complainant. According to the Respondent, the most comparable property is a single tenant warehouse at 2305 - 22 Street NE. The building is larger than the subject, and is substantially newer, but site sizes are similar. Site coverage is virtually the same. The time adjusted selling price of the comparable is \$83 per s.f.

(9) The Respondent's equity comparables reflected a range from \$68 to \$91 per s.f. with a median of \$85. Combined with the Complainant's equity comparables, the overall median calculates to \$82 per s.f.

Board's Decision

(10) The Board does not accept the Complainant's cost calculations because, in the opinion of the Board, the building was incorrectly classified for purposes of the Marshall and Swift calculations.

(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 5,640,000.00.

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



Jerry Zezulka
Presiding Officer

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

Decision No. 1143/2012 - P			Roll No. 033047705	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial	Sales comparables		Market value / equity