

**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:

Pockar Management Inc (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: 034191700

LOCATION ADDRESS: 4632 - 5 Street NE

HEARING NUMBER: 66827

ASSESSMENT: 2,820,000.00

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) There were no jurisdictional or procedural matters to be dealt with.

Property Description:

- (2) The subject is a multi-tenant warehouse located in the Greenview Industrial Park, in NE Calgary. The building was constructed in 1979, and has a net rentable area of 16,000 s.f. The building footprint is 11,600 s.f. The site area is 1.63 acres, of which .742335476 acres is classified by the City as extra land.

Issues / Appeal Objectives

- (3) The property is currently being assessed using the sales comparison approach. The assessment calculates to \$176.31 per s.f. of building, including the extra land, based on the building being 100 per cent finished. 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. The Complainant also maintains that the building has a 45 per cent warehouse component that is unfinished. This contention was not disputed by the Respondent.

Complainant's Requested Value: \$1,680,000, or \$105.00 per s.f.

Evidence / Argument

- (6) The Complainant submitted six four comparables in the NE quadrant of the City. Time adjusted selling prices ranged from \$110 to \$140 per s.f. The median is \$118 per s.f. Building sizes ranged from 13,347 to 18,647 s.f. Site coverage ranged from 20 to 40 per cent, compared to 16 per cent for the subject.

- (7) The Complainant also submitted a cost summation test that resulted in a value indication of \$1,794,827, or \$112 per s.f.

- (8) The Complainant submitted an income capitalization test that produced a range of values from \$104 to \$111 per s.f. The variation is the result of different inputs into the equation. The Complainant then calculated the value of the extra land at \$320,000, to arrive at a rounded estimate by income capitalization of \$2,020,000, or \$126.25 per s.f.

(9) The Respondent submitted 11 comparable sales in total, including the four used by the Complainant. According to the Respondent, the median selling price of the various groupings ranged from \$112 to \$180 per s.f. However, because of calculation errors within the document, the indicated values could not be considered reliable.

Board's Decision

(10) Based on the evidence submitted, the Board agrees that the subject building has a 45 per cent warehouse component. In the Board's opinion, that finding places all of the Respondents adjustments to the comparables in question.

(11) Equally, the Board is not swayed by the Complainant's comparables, particularly because of the variation in site coverage between the comparables and the subject.

(12) Based on the two sets of comparables submitted by the Complainant and the Respondent, the Board accepts \$116.00 per s.f as a realistic indicator of the subject unadjusted market value. That estimate, adjusted by the extra land at \$800,000 per acre, produces a market value indicator of \$2,449,868, truncated to \$2,440,000.

(12) The assessment is reduced to \$2,440,000.

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 Evidence Submission of the Complainant
4. C4 Site Specific Rebuttal of the Complainant
5. 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. 1146/2012 - P			Roll No. 034191700	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Warehouse	Market value	Extra land, degree of finish	Comparable adjustments