

**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:

Safeway Holdings (Alberta) Ltd., (as represented by MNP LLP), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

L. Wood, PRESIDING OFFICER

A. Huskinson, MEMBER

R. Kodak, MEMBER

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:	116003401
LOCATION ADDRESS:	3816 64 AV SE
HEARING NUMBER:	66555
ASSESSMENT:	\$2,950,000

This complaint was heard on the 16th day of July, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- Mr. M. Uhryn Agent, MNP LLP

Appeared on behalf of the Respondent:

- Mr. I. McDermott Assessor, City of Calgary

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

[1] There were no procedural or jurisdictional matters raised by the parties during the hearing.

Property Description:

[2] The subject property is a single tenant warehouse located in Foothills Industrial. The assessable building area is 18,222 sq. ft. and it is situated on 2.71 acres. The building was constructed in 1980; has 27% finish and a site coverage ratio of 15.44%. The subject property was assessed on the direct comparison approach at \$162 psf.

Issue:

[3] Comparable sales support an assessment less than the subject property's assessment of \$162 psf.

Complainant's Requested Value:

[4] The Complainant requested an assessment of \$2,131,974 or \$117 psf for the subject property.

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

[5] The Complainant submitted six sales comparables of single tenant warehouses in support of a reduction to \$117 psf for the subject property (Exhibit C1 page 29). These sales occurred in September 2009 – September 2010. The buildings were constructed between 1961 – 2010; have assessable building areas of 15,410 – 21,644 sq. ft.; a site coverage ratio of 10.20% – 62.52%; and finish percentage of 8% – 33%. The sales price range was \$81 - \$179 psf, a median of \$136 psf.

[6] The Respondent submitted three sales comparables of single tenant warehouses in support of the current assessment for the subject property (Exhibit R1 page 11). These sales occurred in November 2008 - June 2011. The buildings were constructed between 1965 – 1986; have assessable building areas of 17,587 – 21,644 sq. ft.; parcel sizes of 1.38 – 3.65 acres; a site coverage ratio of 13.61% – 29.19%; and finish percentage of 15% – 23%. The time adjusted sales price range was \$152.55 - \$179.71 psf.

[7] The Respondent questioned the reliability of one of the Complainant's sales, particularly the property located at 7530 114 AV SE which sold in September 2010 for \$2,475,000 or \$117

psf. There is a handwritten note on the Non Residential Property Sale Questionnaire for this property which states the property vendor failed to abide by the terms of the option agreement which resulted in a lawsuit that commenced in May 2007. The sale price was the negotiated settlement price (Exhibit R1 pages 14 – 17).

[8] The Board finds the Complainant failed to provide sufficient evidence to bring the assessment into question. In reviewing the Complainant's six sales comparables, the Board discarded the first three sales comparables due to their high site coverage ratio (40.13% – 62.52%) which is not similar to the subject property (15.44%). The Board finds the fourth and fifth sales comparables actually support the current assessment for the subject property. It is noted that while the subject property's site coverage ratio is similar to these two sales comparables, it was not assessed for excess or additional lands. The Board has set out the particulars of the subject property and the two sales comparables, in part, as follows:

Subject		2012 Assessment	Assess (PSF)	Assessable Building Area (SF)	YOC	Site Coverage %	Finish %	Additional or Excess Land	Land Size (Acres)
3816 64 AV SE		\$2,950,000	\$162.12	18,222	1980	15.44%	27%	E	2.71

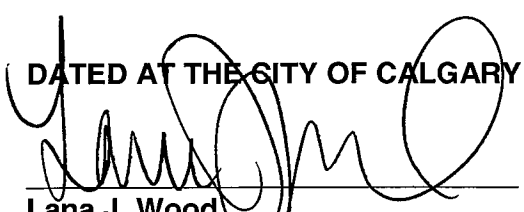
Location	Sale Date	Sale Price (\$)	Sale Price (PSF)	Assessable Building Area (SF)	YOC	Site Coverage %	Finish %	Additional or Excess Land	Land Size (Acres)
7710 40 ST SE	7- Jan- 10	\$3,880,000	\$179	21,644	1986	13.62%	23%	A	3.65
5502 56 AV SE	25-May-10	\$2,400,000	\$170	19,957	1997	12.85%	30%	A	3.11

[9] The Board placed little weight on the Complainant's sixth sale comparable located at 7530 114 AV SE (given the explanation provided on the questionnaire). It could be perceived the Complainant had intentionally misrepresented that sale when he failed to disclose such relevant information to the Board. While the Board appreciates that information was provided in a City document, the Complainant cites multiple sources from which he compiles data for the purposes of assessment complaints (Exhibit C1 page 3). Such details could have been obtained through other sources. The Board finds there is an ethical obligation on all parties to disclose such relevant information to the Board if they are aware of it at the time of hearing.

Board's Decision:

[10] The decision of the Board is to confirm the 2012 assessment for the subject property at \$2,950,000.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF SEPTEMBER 2012.


Lana J. Wood
Presiding Officer

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

NO.	ITEM
1. C1	Complainant's Evidence
2. R1	Respondent's Evidence

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

Subject	Property Type	Property Sub -Type	Issue	Sub - Issue
CARB	Warehouse	Warehouse Single Tenant	Sales Approach	Land & Improvement Comparables