

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

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

**between:**

***64A Land Co. Ltd., (as represented by MNP LLP), COMPLAINANT***

**and**

***The City of Calgary, RESPONDENT***

**before:**

***L. Wood, PRESIDING OFFICER***

***A. Huskinson, MEMBER***

***R. Kodak, MEMBER***

These are complaints to the Calgary Assessment Review Board in respect of property assessments prepared by the Assessor of The City of Calgary and entered in the 2012 Assessment Roll as follows:

<b>Roll Number</b>	<b>Location Address</b>	<b>Hearing Number</b>	<b>2012 Assessment</b>
201437852	2123 4416 64 AV SE	65837	\$1,060,000
201437860	2119 4416 64 AV SE	65831	\$1,060,000
201437878	2115 4416 64 AV SE	65832	\$ 850,500
201437886	2111 4416 64 AV SE	65833	\$ 884,000
201437894	2107 4416 64 AV SE	65836	\$ 884,000
201437902	2103 4416 64 AV SE	65834	\$ 884,000

Appeared on behalf of the Complainant:

- Appeared on behalf of the Respondent:

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

**Property Description:**

### Issues:

(b) The subject properties were not assessed in a fair and equitable manner.

[4] The Complainant requested the 2012 assessments for the subject properties are revised as follows (Exhibit C1 page 52):

Roll Number	Location Address	2012 Assessment	Alternative 1 (Influences)	Alternative 2 (Market Value)	Alternative 3 (Influences + Market Value)
201437902	2103 4416 64 AV SE	\$ 884,026	\$750,603	\$639,900	\$543,915
201437894	2107 4416 64 AV SE	\$ 884,026	\$750,603	\$639,900	\$543,915
201437886	2111 4416 64 AV SE	\$ 884,026	\$750,603	\$639,900	\$543,915
201437878	2115 4416 64 AV SE	\$ 850,610	\$724,173	\$614,400	\$522,240
201437860	2119 4416 64 AV SE	\$1,061,325	\$900,524	\$775,200	\$658,920
201437852	2123 4416 64 AV SE	\$1,061,325	\$900,524	\$775,200	\$658,920

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

- (a) The assessments for the subject properties exceed market value based on the Direct Sales Comparison approach

[5] The Complainant submitted the subject properties do not have finish and require additional construction. He argued that the condos in their current state would not be expected to rent or sell at current market value. He noted the condos have been vacant since they were constructed in 2009 and was unsure of the reason for the vacancy. He indicated the owner is willing to construct tenant improvements if a tenant was secured. Currently there are no tenant improvements as reflected in the Building Permits Status reports (Exhibit C1 pages 100 – 105).

[6] The Complainant submitted a 15% reduction is warranted to reflect the lack of tenant improvements. He noted the City of Edmonton's Assessment Department provides a 15% reduction to compensate for the cost of constructing local improvements for industrial condos and presented several Withdrawal and/or Agreement to Correction forms in support of his position (Exhibit C1 pages 88 – 94). He argued a downward adjustment of 15% is warranted which is analogous to reductions given to properties subject to local improvements. He referred to CARB 1913-2011-P in support of his argument (Exhibit C1 pages 95 – 99).

[7] The Complainant submitted 27 sales comparables of industrial condos in support of his request of \$150 psf (Exhibit C1 page 108). The sales occurred in August 2009 – May 2011. The condos are all located in the SE quadrant; built in 2002 – 2009; and the sizes are 3,353 sq. ft. – 9,753 sq. ft. The sale price is \$500,000 - \$1,800,000 per condo (median of \$680,000) or \$97 - \$205 psf (median of \$150 psf).

[8] The Respondent submitted that none of the subject properties were assessed for finish. They were assessed at a base rate. He stated the subject properties are typical warehouse space: bare walls and clear ceiling height. In reviewing the subject properties' assessments, he noted the slight differences in the rates per square foot (\$205 - \$208 psf) which account for small variations in the areas (4,096 – 5,168 sq. ft.) (Exhibit R1 page 23).

[9] The Respondent submitted there is no support for a 15% reduction. He argued CARB 1913-2011-P is distinguishable from the case at hand because that decision related to a local improvement levy (South Foothills Adjustment) (Exhibit R1 pages 25 & 26). He also argued that little weight should be afforded to the Withdrawal and/or Agreement to Correction forms from a different municipality as no evidence was provided in support of those reductions.

[10] The Respondent submitted 8 sales comparables of industrial condos located in the SE quadrant (Exhibit R1 page 19). He noted the first four sales comparables are located in South Foothills, similar to the subject properties, which includes the sale of an adjacent condo on the same parcel as the subject properties (1117 4416 64 AV SE). The sales occurred in April 2010 – April 2011. Three of the industrial condos were built in the 1970s, one in 2005. The total ground area is 2,003 – 3,850 sq. ft. One of the sales included ground finish, another included mezzanine office. The sale price ranged between \$483,500 - \$667,648 per condo or \$173 - \$210 psf.

[11] The Respondent highlighted the sale of an industrial condo on the subject site located at 1117 4416 64 AV SE. It was built in 1977, has 3,850 sq. ft., and is unfinished. It sold in April

2011 for \$667,648 or \$173 psf. The Respondent noted the Complainant is requesting \$150 psf for newer condos. The Respondent argued the sales comparables support the subject properties' current assessments of \$205 - \$208 psf.

[12] The Respondent also included 4 sales comparables from South Foothills and Dufferin to show industrial condos in those areas are selling for \$163 - \$223 psf, higher than the Complainant's request of \$150 psf (Exhibit R1 page 19). It is noted that three of the four condos included finish.

[13] In rebuttal, the Complainant combined all of the sales comparables (without finish) before the Board and derived a median of \$159 psf (Exhibit C1 page 7).

[14] The Board finds the best market evidence is the sale of the adjacent industrial condo (1117 4416 64 AV SE) located on the same site as the subject properties. This comparable is most similar to the subject properties in terms of (its lack of) finish, location and size. It also provides a good indication of value as it sold in the valuation year. The Board finds the year of construction is a significant factor in valuing these properties and that an upward adjustment is warranted to reflect the fact that the subject properties are 30 years newer than the adjacent industrial condo. Although the Board is not entirely convinced that the Respondent's sales comparables support the assessed values of \$205 - \$208 psf, given several of them are smaller and include finished areas, the onus is on the Complainant to prove the assessments are wrong. The Complainant did not convince the Board, based on his market evidence which consisted primarily of sales comparable located outside of the subject area in arguably inferior locations, that a reduction to \$150 psf is appropriate. Moreover the Board finds the Complainant's request of \$150 psf unreasonable given the recent sale of the adjacent industrial condo.

[15] The Board placed little weight on the Withdrawal and/or Agreement to Correction forms from the City of Edmonton's Assessment Department as there was no evidence to indicate the type of property or the reasons for the reductions. The Board also noted the forms were incomplete (none of them were signed and dated by the Complainant accepting the assessor's corrected values). The Board also placed little weight on CARB 1913-2011-P which dealt with an issue entirely unrelated to the one at hand.

(b) The subject properties were not assessed in a fair and equitable manner.

[16] The Complainant presented 28 equity comparables in support of a reduction (Exhibit C1 page 111). All of the comparables are located in the SE quadrant and have A2 classification. They were built in 2005 - 2009 and have areas of 1,688 - 7,221 sq. ft. The condos were assessed from \$271,500 to \$1,210,000 (median of \$494,000) or \$112 - \$207 psf (median of \$151 psf).

[17] The Respondent submitted 24 equity comparables of newer industrial condos, including the 6 subject properties, to show the assessments are fair and equitable (Exhibit R1 page 21). The comparables are located in Foothills Industrial. They were built in 1998 - 2009; have a total ground area of 1,750 - 6,859 sq. ft.; and are assessed at \$419,105 - \$1,061,325 (\$199 - \$215 psf). Several of the comparables include finished areas. The Respondent argued the subject properties' assessments at \$205 - \$208 psf fall within that range of values.

[18] The Respondent also presented the assessments for the other industrial condos in the three buildings located on the subject site (Exhibit R1 page 22). He presented 22 equity comparables, including the 6 subject properties. In reviewing the comparables, and excluding the subject properties, the Respondent noted the comparables are older (built in 1977 & 1978); have total ground areas of 2,100 – 4,350 sq. ft.; and are assessed between \$150 - \$181 psf. Several of the equity comparables include finished areas, upper offices and/or mezzanine offices. He noted the adjacent condo referenced earlier (1117 4416 64 AV SE) was assessed at \$164 psf, and yet the Complainant is requesting \$150 psf for the subject properties.

[19] In rebuttal, the Complainant combined all of the equity comparables (without finish) before the Board and derived a median of \$163 psf (Exhibit C1 page 15).

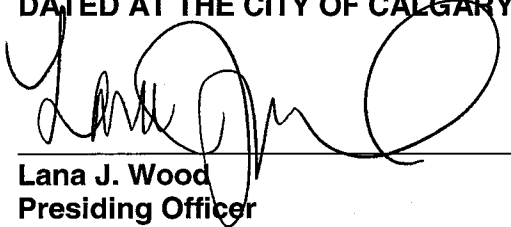
[20] The Board placed little weight on both parties' equity comparables. The Complainant's comparables lacked information, particularly in regards to finished vs. unfinished areas. The Respondent included several equity comparables which were either half the size of the subject properties and/or contained finish. As such, the Board finds there was inconclusive evidence presented in regards to equity.

**Board's Decision:**

[21] The decision of the Board is to confirm the 2012 assessments for the subject properties as follows:

Roll Number	Location Address	2012 Assessment	Board Decision
201437852	2123 4416 64 AV SE	\$1,060,000	Confirmed
201437860	2119 4416 64 AV SE	\$1,060,000	Confirmed
201437878	2115 4416 64 AV SE	\$ 850,500	Confirmed
201437886	2111 4416 64 AV SE	\$ 884,000	Confirmed
201437894	2107 4416 64 AV SE	\$ 884,000	Confirmed
201437902	2103 4416 64 AV SE	\$ 884,000	Confirmed

DATED AT THE CITY OF CALGARY THIS 10<sup>th</sup> DAY OF September 2012.

  
Lana J. Wood  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant's Evidence
2. C2	Complainant's Rebuttal
3. 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 Multi Tenant (Unit Ownership)	Sales Approach	Improvement Calculation; Equity Comparables