

**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:

***Sun Life Assurance Company of Canada,
(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:	033044108
LOCATION ADDRESS:	1435 40 AV NE
HEARING NUMBER:	65888
ASSESSMENT:	\$7,970,000

Appeared on behalf of the Complainant:

- Appeared on behalf of the Respondent:

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

Property Description:

Issue:

Complainant's Requested Value:

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

[6] The Complainant submitted eleven sales comparables of single and multi building industrial sites located in the NE quadrant in support of his request (Exhibit C1 page 40). The sales occurred in September 2008 – June 2011. The buildings were constructed in 1972 – 1998; have an assessable building area of 17,600 – 59,573 sq. ft.; a finish percentage of 3% - 73%; and a site coverage ratio of 33.66% - 49.4%. The sale price ranged between \$79 - \$126 psf; a median of \$104 psf. (It was noted at the hearing that errors were reported for the property located at 2835 23 ST NE: it sold for \$92 psf as opposed to \$70 psf and it was assessed for \$99 psf as opposed to \$75 psf).

[7] The Respondent presented five single and multi building industrial sites located in the NE quadrant in support of the subject property's assessment (Exhibit R1 page 12). The sales occurred in September 2008 – June 2011. The buildings were constructed in 1978 – 1997; have an assessable building area of 17,600 – 61,032 sq. ft.; a finish percentage of 7% - 35%; and a site coverage ratio of 24.31% - 46.70%. The (time adjusted) sale price ranged between \$92 - \$149 psf.

[8] In reviewing the market evidence, the Board placed little weight on seven of the Complainant's sales comparables because they are older than the subject properties (10+ years) and have a lesser quality rating (C, C+) in comparison to the subject property (B). The Board took into consideration the remaining four sales submitted by the Complainant as follows:

Subject	Parcel Size	Assessable Building Area (SF)	YOC	Finish %	Site Coverage %	Building Class		Assessment	Rate PSF
1435 40 AV NE	3.34	31,208	1992	55%	34.69%	B		\$3,568,914	\$114.36
1435 40 AV NE	3.34	36,745	1998	38%	34.69%	B		\$4,404,527	\$119.87

Location	Parcel Size	Assessable Building Area (SF)	YOC	Finish %	Site Coverage %	Building Class	Sale Date	Sale Price (\$)	Sale Price PSF
3949 54 AV NE	1.40	31,444	1998	11%	48.5%	B	29-May-09	\$3,350,000	\$107
3110 12 ST NE	2.22	35,200	1998	33%	36.3%	B	30-Sept-08	\$3,843,942	\$109
1128 64 AV NE	2.07	37,667	1997	6%	41.7%	B	30-Sept-08	\$4,631,424	\$123
2559 29 ST NE	1.79	42,504	1998	10%	49.4%	B	29-Jun-11	\$5,300,000	\$110

[9] The Board finds that minor adjustments could have been applied to the Complainant's sales comparables as they are single building sites (the subject is a multi building site) and have a slight variance in finish and site coverage, compared to the subject property. In addition, the sales could have been time adjusted particularly those sales dated 2008 and 2009. Yet the Complainant failed to provide any adjustments to the sales data that he presented in support of his request of \$99 psf. Be that as it may, the Board finds the Complainant's best sales comparables, based on location, assessable building area, parcel size, quality and age, exhibit a range of values between \$107 - \$123 psf versus the subject property's assessment of \$117 psf. On the face of it, the Board finds the Complainant's sales comparables support the subject property's current assessment.

[10] In regards to the (Respondent's) sales comparable located at 2255 22 St NE, the Board notes that the Complainant argued that this is a portfolio sale and it does not reflect market value. He submitted Municipal Government Board ("MGB") Board Order 236/00 in support of his argument (Exhibit C2 pages 29 – 37). The Respondent argued that a portfolio sale can be utilized if it is an arm's length transaction and has an identifiable individual sale price.

[11] The Board appreciates that the MGB had a valid concern regarding a specific portfolio sale that was before it, in determining the fee simple estate for each individual property. As the MGB stated in that decision *"because this sale included multiple properties, all business interests, shares, cash and new and assumed financing, it would be extremely difficult to use this data to determine the fee simple market value of the subject property"* (Exhibit C2 page 35; MGB 236/00 page 7).

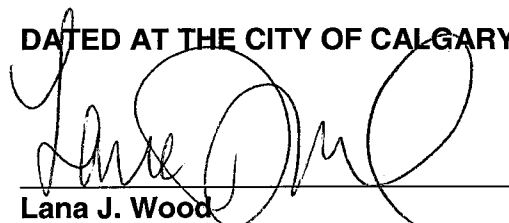
[12] However, in the case at hand, the Complainant provided the Land Titles documents for the portfolio sale between unaffiliated corporations, The Great West Life Assurance Company and Concert Real Estate Corporation (Exhibit C2 pages 20 – 28). Those documents include Form 32, Affidavit of Transferee, which indicates the five properties that had sold together (including the property located at 2255 22 ST NE) and the (dollar) value attributed to each property (Exhibit C2 page 28). Based on this evidence, the Board is satisfied that the (dollar) value of \$10,860,000 attributed to the property located at 2255 22 ST NE is the fee simple market value of that property.

[13] Given the Board's findings on the Complainant's market evidence, no further analysis of this matter is warranted.

Board's Decision:

[14] The decision of the Board is to confirm the 2012 assessment for the subject property at \$7,970,000.

DATED AT THE CITY OF CALGARY THIS 12 DAY OF October 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. 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	Sales Approach	Land & Improvement Comparables