

**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:

Airstate Ltd (as represented by AltusGroup Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, J. Zezulka
Board Member, A. Huskinson
Board Member, J. Massey***

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: 100010404

LOCATION ADDRESS: 6025 - 12 Street SE

HEARING NUMBER: 68287

ASSESSMENT: 7,220,000.00

This complaint was heard on the 31st 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:

- *R. Worthington*

Appeared on behalf of the Respondent:

- *G. Bell*

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

- (1) There were no procedural or jurisdictional matters raised by either party.

Property Description:

- (2) The subject is a multi bay industrial warehouse, located in the Burns industrial district, of SE Calgary. The net rentable building area is 91,680 square feet (s.f.). The building footprint is 71,889 s.f. The date of construction is 1978. The site area is 3.18 acres. Site coverage is 51.82 per cent, based on the building footprint.

Issues / Appeal Objectives

- (3) The property is currently being assessed using the sales comparison approach. The assessment calculates to \$78.77 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: \$5,570,000

Evidence / Argument

- (4) As part of the argument, the Complainant takes the position that the \$78.77 per s.f. assessed rate is excessive when it is applied to the building's total assessable area. Rather, there are 19,791 s.f. of mezzanine area that should attract a much lower rate.

- (5) The Complainant argues that, if the mezzanine area is to be assessed at the same rate as the main floor, then the same area should be used to calculate the site coverage of the building. And, if that is so, then there should be a reduction in extra land that should result in a decrease of \$477,056 in the assessed value.

- (6) The Complainant also submitted five sales and equity comparables. Two of the buildings are similar in size to the subject, and three are significantly smaller. Site coverage ranges from 36 to 55 per cent. All of the comparables are older buildings than the subject. The median time adjusted selling price is \$109 per s.f. The median assessment per s.f. is \$76 per s.f. resulting in a median assessment to sales ratio of 77 per cent.

- (7) The Respondent submitted four sales comparables, one of which was withdrawn at the hearing. The remaining three had building sizes ranging from 52,060 to 91,405 s.f.. Site sizes

range from 2.01 to 3.38 acres. All of the comparables are older buildings than the subject. The time adjusted selling prices per s.f. range from \$82.35 to \$107.92 per s.f.

(8) The Respondent submitted three equity comparables. Assessments range from \$72.63 to \$87.96 per s.f. All three have lower site coverage than the subject, and lower interior finishing ratios.

Board's Decision

(9) The Complainant appears to take the position that there should be a reduction in the assessment because the building is too big for the site it occupies, and that should be cause for a negative adjustment. In the Board's opinion, that proposition is unacceptable.

(10) The median assessment reflected by the Complainant's comparables, at \$76 per s.f., tend to support the existing assessment of \$78.77 per s.f., which is also supported by the Respondent's comparables.

(11) The concept of "standard of proof" refers to how convinced one must be that a certain fact exists. The onus of proving that an assessment is incorrect lies with the individual alleging it. The onus rests with the Complainant to provide convincing evidence to justify a change in the assessment. In the opinion of this Board, the Complainant did not meet the onus required to convince the Board that a change in the assessment is required or justified.

(12) None of the Complainant's arguments were compelling enough to prompt this Board to alter the assessment. The assessment is confirmed at \$7,220,000.

DATED AT THE CITY OF CALGARY THIS DAY 13th OF September, 2012.



Jerry Zezulka
Presiding Officer

APPENDIX “A”

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

NO.	ITEM
1.	C1 Evidence Submission of the Complainant
2.	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. 1242/2012 - P			Roll No. 100010404	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial	Market Value / Equity	Comparables	