

**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:

***The Standard Life Assurance Company of Canada, COMPLAINANT (as represented by
Cushman Wakefield of Canada Inc.)***

and

The City of Calgary, RESPONDENT

before:

***J. Dawson, PRESIDING OFFICER
D. Steele, 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 2011 Assessment Roll as follows:

ROLL NUMBER: 009005497

LOCATION ADDRESS: 7019 – 8 ST NE

HEARING NUMBER: 63684

ASSESSMENT: \$4,550,000

This complaint was heard on 15th day of July, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- J. Goresht Agent, Cushman Wakefield of Canada Inc.

Appeared on behalf of the Respondent:

- K. Cody Assessor, The City of Calgary

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

No objections on procedure or jurisdiction were raised.

This Board had one Assessment Review Board panel member absent however a quorum had been established as permitted in the Municipal Government Act (MGA) 458(2);

The provincial member and one other member of a composite assessment review Board referred to in section 453(1)(c)(i) constitutes a quorum of the composite assessment review Board.

All parties were asked if they had any objection to the makeup of the panel and no objection was received therefore hearing continued as scheduled.

Property Description:

The subject property is an Industrial-General (I-G) land use property with Industrial Warehouse Single Tenant (IW S) building type located in the Deerfoot Industrial area. The subject site has an area of 2.20 acres providing site coverage of 24.96% with two buildings on site; 1) first building occupied a footprint of 12,134 square feet with an assessable building area of 14,356 square feet built in 1990 with an office finish of 23%, and 2) second building occupied a footprint of 11,778 square feet with an assessable building area of 14,272 square feet built in 1990 with an office finish of 37%. Based on a typical 30% site coverage there is 0.37 acres of excess land. The current assessment is \$4,550,000 or \$159 per square foot.

Issues:

The Complainant identified three issues on the complaint form:

1. the description of property or business is incorrect
2. assessment amount is incorrect
3. assessment class is incorrect

The disclosure documents and submissions resulted in the identification of these issues:

4. equity with neighbouring properties

Complainant's Requested Value: \$3,770,000 (complaint form)
\$3,700,000 (disclosure and hearing)

Summary of Complainant Evidence:

The Complainant provided one document which was accepted into evidence as Document C1. This document was unorganized with no headings or page numbers making it very difficult for the panel to follow along. The Presiding Officer went to great lengths to ensure all parties knew which page Complainant was referring to during his presentation. The Board urges the Complainant to provide organized materials in future hearings with headings and page numbers. During his presentation the Complainant reviewed 2011 Assessment Explanation Supplement for the subject site, Composite Assessment Review Board (CARB) decision CARB 1535/2010-P pertaining to the subject site, Complainant's Equity Comparables for 2011, Disclosure of evidence, 2010 Assessment Summary Reports for comparable properties some of which had My Property reports, and RealNet information from 2010. The Complainant following the order of the package and jumped to a Colliers International listing information apparently from 2009, a chart which the Board characterizes as Complainant Equity Comparables for 2010 (no heading or label), more Assessment Summary reports of comparables from 2010, additional My Property and RealNet information from 2010, a CB Richard Ellis listing information from 2004, again more Assessment Summary reports of comparables from 2010, additional My Property and RealNet information from 2010, a Colliers International listing undated, a Bentall listing from 2009, more Assessment Summary reports of comparables from 2010, additional My Property and RealNet information from 2010, a Barclay Street listing undated and then finally the Complainant finished his presentation with the Assessment Summary reports of his comparables from 2011. The Complainant then summarized and requested an 18% reduction to their assessment or \$130 per square foot with a truncated value of \$3,700,000.

Summary of Respondent Evidence:

The Respondent provided an organized document which was accepted into evidence as Document R1. The Respondent reviewed information regarding legislative authority for property assessment (pages 3 and 4), principals of fairness and equity in mass appraisal (pages 5 and 6), property valuation methodology (page 7), the burden of proof or onus of the parties principals (pages 8 and 9), and summary of testimonial evidence (page 10). Respondent further reviewed subject maps (pages 11 and 12), photos (pages 13 and 14) and the subject's 2011 Assessment Explanation Supplement (AES) (page 15). The Respondent continued with equity comparables (page 16), sales comparables (page 17), response to Complainant evidence (pages 18 through 21), and 2011 Multiple Building Coefficient information (pages 22 through 28). The Respondent then provided a conclusion to support their requested assessment at \$4,550,000 or \$159 per square foot.

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

1. the description of property or business is incorrect:
The Board reviewed carefully all the information provided by all parties on the property. The evidence heard from both Respondent and Complainant was that there are in fact two buildings on site which are single tenanted warehouse space ranging from 23% to 37% office finish. The structures were both built in 1990 of the same construction and materials and could have just as easily been one structure. The Board finds the correct description of the property is as assessed being two Industrial Warehouse Single Tenant (IW S) buildings.

2. assessment amount is incorrect:

The Board reviewed carefully all the information provided by all parties on the property including the nineteen comparables provided by the Complainant and the twelve comparables provided by the Respondent. The Board finds that the assessment per square foot changes significantly dependent on many variables including the size of the structure. The comparables provided by the Complainant ranged dramatically between 95% and 1542% larger than the smallest subject building, and ranged between 3% smaller and 768% larger than the combined square footage of both buildings. The comparables provided by the Respondent also ranged dramatically between 27% smaller and 571% larger than the smallest subject building, and ranged between 64% smaller and 285% larger than the combined square footage of both buildings. While the Respondent was much closer in size to the subject buildings, both parties did an inadequate job in assisting the Board with comparable properties. The Board determined that of the thirty-one comparables, the four best comparables were; Respondent's comparable located at 6390R 11 St NE, Complainant's comparables located at 6875 – 9 St NE, 6835 – 8 St NE and 7211 – 8 St NE. The Board further adjusted each comparable to a similar site coverage and calculated a median of \$140 per square foot. The Board determined that though the evidence was poorly presented and difficult to follow the 'burden of proof' test passed and assigned a value of \$140 per square foot to the subject property.

The Board carefully considered the manner in which multiple building sites are assessed by the Respondent and applauds the efforts taken for the 2011 Assessment Roll by introducing the Multiple Building Coefficient however we find that no two sites are identical and while the coefficient may work in many instances it does not work on this site.

3. assessment class is incorrect:

The Complainant removed this objection during the hearing as the property was assessed correctly as Non-Residential 100%.

4. equity with neighbouring properties:

The Board determined that when adjusted for site coverage the comparables listed previously provide good equity comparables. Therefore the adjusted assessment is fair and equitable.

Board's Decision:

After considering all the evidence and argument before the Board, the complaint is allowed, and the assessment is reduced to \$4,000,000.

DATED AT THE CITY OF CALGARY THIS 17 DAY OF August 2011.


J. Dawson
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

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.*