

**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:

2278372 Ontario Inc. and 2281140 Ontario Inc. (as represented by Colliers International Realty Advisors Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***W. Kipp, PRESIDING OFFICER
J. Kerrison, MEMBER
R. Roy, 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: 094220407

LOCATION ADDRESS: 4792 – 50 Avenue SE, Calgary AB

FILE NUMBER: 66475

ASSESSMENT: \$4,520,000

This complaint was heard on the 13th day of August, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- *Troy Howell*

Appeared on behalf of the Respondent:

- *George Bell*

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

- [1] There were no preliminary matters to be decided.

Property Description:

[2] The property that is the subject of this complaint is an industrial warehouse property comprising a multi-unit industrial building constructed in 2001. The building has an assessable area of 39,896 square feet. Finished area comprises 20% of the total area. The land area is 2.01 acres, indicating a building site coverage ratio of 45.53%.

[3] The 2012 assessment of \$4,520,000 was derived by use of the direct comparison approach. The assessment represents a unit value of \$113.33 per square foot of assessable building area.

Issues:

[4] In the Assessment Review Board Complaint form, filed March 2, 2012, Section 4 – Complaint Information had a check mark in the box for #3 "Assessment amount".

[5] In Section 5 – Reason(s) for Complaint, the Complainant provided excerpts from the Municipal Government Act and regulations and set out a number of points in dispute where the assessment was related to the legislation.

[6] At the hearing, the Complainant pursued the following issue:

Which market sales provide the correct market value assessment?

Complainant's Requested Value: \$4,150,000 (\$104 per square foot of building)

Position of the Complainant:

[7] The Complainant argued that the unit value of the subject property should be reduced from \$113.33 to \$104.00 per square foot of building area.

[8] In support of the argument, Complainant's evidence contained data on four industrial

property sale transactions that had occurred between August 14, 2008 and June 9, 2011. No time adjustments were made to bring the sale prices to the July 1, 2011 valuation date level. All four of the sale properties were in southeast Calgary industrial areas, as is the subject. All of the properties were single-tenant properties. Building areas ranged from 30,240 to 46,225 square feet. Site coverage ratios ranged from 22.00% to 44.00% and the years of construction were 1972, 1976, 1980 and 2004. Unit prices were \$78.33, \$90.86, \$95.57 and \$103.76 per square foot of building area. The Complainant set the unit value at \$104.00 based on the sale of the newest (2004) property which was considered as most comparable to the subject. That property comprised a 30,240 square foot building on a 1.45 acre lot (36% site coverage).

Position of the Respondent:

[9] The Respondent provided two charts of data. One chart set out information on six industrial property sales. All six properties were single-tenant properties. Sales occurred between the months of September 2008 and June 2011. Three of the sales were transacted in 2011. Sale prices were adjusted for changes in market conditions between the sale date and the valuation date of July 1, 2011. All prices were adjusted downwards. Building sizes were from 28,780 to 46,229 square feet. Site coverage ratios were from 18.56% to 49.43% and years of building construction were from 1975 to 2004. These six sales produced unit prices from \$103.23 to \$147.40 per square foot of building area which supported the subject's assessed rate of \$113.33 per square foot.

[10] The second of the Respondent's charts was a listing of data on three "equity" comparable properties. Equity was not raised as an issue by the Complainant therefore the Board placed little weight on this data when making its decision regarding this complaint.

Board's Decision With Reasons:

[11] The 2012 assessment is confirmed at \$4,520,000.

[12] There was property sales evidence before the Board from both parties and each of the sale properties had dissimilarities to the subject. For the most part, neither party could provide much more detail than was set out in the evidence disclosure documents. Neither of the party representatives to this complaint had inspected the subject property or any of the properties put forward as comparable properties. Both parties had given weight to a sale of a property that was one of twenty properties in a portfolio of properties in Calgary (just one property), Edmonton and the Toronto area. The reported building areas were different by 1,460 square feet. No satisfactory evidence was provided to the Board that would confirm that either area was the correct one.

[13] In an assessment complaint hearing, the Complainant must convince the Board that there is an assessment change required and the requested change must be supported by evidence, both written and oral. The Complainant provided four property sales as evidence. Some details were provided in the evidence and copies of sales reports from RealNet Canada Inc., a sales reporting service, were presented. The Board found areas of concern that had not been addressed by the Complainant. Having regard to the four transactions brought forward by the Complainant, one involved a property that had been listed at \$3,900,000 and sold at \$2,575,000. In the Respondent's evidence was a copy of an "Assessment Request for Information Non-Residential Property Sale" report wherein the purchaser had confirmed the purchase price but had noted that "boundary costs and acreage assessments" were still outstanding. This information had not been addressed by the Complainant. The sale that the

Complainant relied upon was one property in a portfolio of properties that included 19 other properties in Edmonton and the Toronto area where a total of 832,000 square feet of buildings were included. The Complainant was unable to satisfactorily answer questions about the impact of the portfolio sale, unpaid costs and other factors on the sales prices of the comparables. No adjustments had been made for factors where there were variances between properties for such things as changes in market conditions (time adjustment), locations in different industrial areas and single versus multi-tenant properties. The Complainant commented that if time adjustments were made, the adjusted unit prices would have been lower but there was no support for this statement.

[14] The finding was that the Complainant had not convinced the Board that the sales as presented in Exhibit C1 were similar enough to the subject to warrant their consideration as support for an assessment reduction.

DATED AT THE CITY OF CALGARY THIS 21st DAY OF Aug 2012.



W. Kipp
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R2	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.*

For Internal Use

Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouse	Multi Tenant	Sales Approach	Comparables