

**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:

***GMW Properties Ltd. (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: 200479525

LOCATION ADDRESS: 5025 – 51 Street SE, Calgary AB

FILE NUMBER: 65777

ASSESSMENT: \$3,060,000

This complaint was heard on the 13th day of August, 2012 at the office of the Assessment Review Board located at Floor No. 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 in the Eastfield industrial area comprising a multi-unit industrial building constructed in 2006. The building has an assessable area of 20,400 square feet. In the building, finished area comprises 48% of the total area. The land area is 1.66 acres, indicating a building site coverage ratio of 28.20%.

[3] The 2012 assessment of \$3,060,000 was derived by use of the direct comparison approach. The assessment represents a unit value of \$150.42 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: \$2,650,000 (\$129.90 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 \$150.52 to \$130.00 per square foot of building area.

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

property sale transactions that had occurred between August 5, 2008 and April 6, 2011. No time adjustments were made to bring the sale prices to the July 1, 2011 valuation date level. All five of the sale properties were in Foothills, a southeast Calgary industrial area. The subject is in Eastfield, a subdivision adjoining Foothills. Three of the properties were single-tenant properties. Building areas ranged from 19,560 to 27,897 square feet. Site coverage ratios ranged from 33.00% to 47.00% and the years of construction were 1973, 1975, 1976, 1977 and 1979. Unit prices were \$99.69, \$116.50, \$130.54, \$143.60 and \$145.68 per square foot of building area. The Complainant set the requested unit value at \$130.00 based on the sale of the property which was considered as most comparable to the subject. That property was a 21,449 square foot multi-tenant building constructed in 1977 on a 1.22 acre lot (40% site coverage). That property sold in June 2010 at a rate of \$130.54 per square foot.

Position of the Respondent:

[9] The Respondent provided two charts of data. One chart set out information on six industrial property sales (the chart contained seven entries but one was a duplication). It included one of the sales reported by the Complainant but it did not include the Complainant's "best" comparable. Only one of the sale properties was a multi-tenant property. Sales occurred between the months of November 2008 and May 2011. Two 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 16,500 to 25,981 square feet. Site coverage ratios were from 20.94% to 33.84% and years of building construction were from 1975 to 2005. These six sales produced unit prices from \$144.83 to \$189.24 per square foot of building area which supported the subject's assessed rate of \$150.42 per square foot.

[10] The second of the Respondent's charts was a listing of data on seven properties that were similar to the subject and that were assessed at similar rates. These equity comparables were said to support the assessment of the subject. This chart was of limited use to the Board because equity had not been raised as an issue by the Complainant.

Board's Decision With Reasons:

[11] The 2012 assessment is confirmed at \$3,060,000.

[12] There was property sales evidence before the Board from both parties and while there were similarities, 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 in Foothills Industrial however each presented different data. For that sale, the following were in conflict: Building area – 21,280 or 17,587 square feet; Site Coverage Ratio – 35% or 29.19% and Sale Price per Square Foot - \$145.68 or \$152.55. The Board recognizes that the site coverage ratios and price per square foot rates are directly related to the building floor area. Neither party provided any reasonable support for their calculations.

[13] In an assessment complaint hearing, the Complainant must convince the Board that an assessment change is required and the requested change must be supported by evidence, both written and oral. The Complainant provided five 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. Of particular concern was the year of construction of the buildings. The subject was constructed in 2006 and all of the Complainant's sales involved properties where the buildings were 29 to 33 years older. One of the sales involved a purchase by a building tenant without any broker involvement. The sale that the Complainant weighted the most was one where the building was 29 years older than the subject. No adjustment had been made for any of the factors for which market participants would have made adjustments and there was no convincing argument explaining the comparability of the sale properties to the subject.

[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 6th DAY OF Sept 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