

**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:**

***PBA Land Development LTD. (as represented by Colliers International Realty Advisors Inc.), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***K. D. Kelly, PRESIDING OFFICER  
K. Coolidge, MEMBER  
J. Rankin, 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:

<b>ROLL NUMBER:</b>	<b>101036309</b>
<b>LOCATION ADDRESS:</b>	<b>6101 Centre ST SW</b>
<b>HEARING NUMBER:</b>	<b>66331</b>
<b>ASSESSMENT:</b>	<b>\$1,710,000</b>

This complaint was heard on 7th 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:

- *Mr. T. Howell – Colliers International Realty Advisors Inc.*

Appeared on behalf of the Respondent:

- *Mr. J. W. Ehler - Assessor – City of Calgary*

**REGARDING BREVITY:**

[1] The Composite Assessment Review Board (CARB) reviewed all the evidence submitted by both parties. The extensive nature of the submissions dictated that in some instances certain evidence was found to be more relevant than others. The CARB will restrict its comments to the items it found to be most relevant.

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

[2] None.

**Property Description:**

[3] The subject is an 11,520 square foot (SF) 1966 multi-tenant industrial warehouse on 0.8 acres (Ac.) of land in the South Manchester (4) industrial area. The subject has 11,520 SF of assessable space, 42% finish, 33.26% site coverage, and is valued at \$148.44 per SF for an assessment of \$1,710,000.

[4] **Issue:**

What is the correct market value of the subject based on the sales comparison approach?

[5] **Complainant's Requested Value:** \$1,580,000.

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

[6] The Complainant provided his Brief C-1 and offered a matrix of 4 unadjusted sales of industrial properties which he argued were comparable to the subject and reflected lower per SF values than that used to assess the subject. His first property comparable located at 4207 – 17 ST SE, sold in April 2011 at \$99 per SF. His second two-property comparable at 5339 – 1A ST SW and 404-406 Manitou Rd. SE sold in September 2010 for \$91 per SF. His third comparable at 5520 – 4 ST SE, sold in March 2010 for \$133 per SF. And his fourth comparable at 1341/1345 Hastings CR SE sold in May 2011 for \$137 per SF.

[7] The Complainant argued that based on the median value of the four sales, \$137 per SF is a more correct value to be applied to the subject for assessment purposes and would produce a value of \$1,580,000.

[8] The Complainant provided the RealNet transaction sheets for all four of his market sales, as well as a map outlining the respective locations of each comparable, and their general location(s) relative to the subject.

[9] The Complainant posed that this "best" comparables were the Hastings Cres. SE sites because they were close to the subject, and, the individual characteristics of each of them closely matched each other and the subject. He requested that the assessment be reduced to \$1,580,000.

[10] The Respondent argued that the Complainant's market sale on Hastings Cres. SE is not a valid market sale comparable because it did not appear to have been exposed to the market. He provided the RealNet transactions sheets, and several Land Titles transaction documents for the sale and argued that this information appears to show that the principals in the company had transferred the properties between and among themselves and therefore it was considered to be a non-arms length transaction. He argued that the City considers such transactions to be invalid for purposes of determining typical market values.

[11] The Respondent argued that both the 4207 – 17 ST SE and the 5520 – 4 ST SE properties are contaminated sites which not only received 30% assessment reductions from the City for this issue, but would also have been valued at less than comparable non-contaminated properties in the marketplace. He confirmed that he had personally talked to the owner of 5520 – 4<sup>th</sup> ST SE and there has been no remediation of this site to date. Therefore, he argued, these two properties are not comparable to the subject which is not contaminated.

[12] The Respondent argued that the Complainant's sale comparable on Manitou RD SE is a multi-property portfolio sale and hence the independent and distinct market values for each of the two sites involved in the sale, cannot be accurately determined. In addition he noted that one of the two properties in the portfolio has two buildings on it, unlike the subject which has only one building on its lot. Therefore, he argued, this portfolio sale is unreliable as an indicator of value for the subject.

[13] The Respondent also argued that in general, the Complainant's four sale comparables are not fully comparable to the subject as presented. He argued that certain of their individual characteristics – i.e. level of finish, building size, and site coverage, which are key value indicators, are significantly different from the subject and have not been adjusted. He argued that according to accepted appraisal practice, certain adjustments must be made to property comparables in order to properly and accurately compare them to each other and to the subject.

[14] The Respondent argued that with respect to the City's list of industrial property market sales, its computerized assessment model has calculated and applied the required adjustments to his property comparables – and all others, but the Complainant has not accounted for or made any adjustments to his property comparables whatsoever. Therefore, he argued, the Complainant's property comparables are unreliable as indicators of value for the subject.

[15] The Respondent provided a matrix containing five fully-adjusted property sales comparables. He argued that the individual site characteristics of parcel size; finish; site coverage; and assessable building area closely match each other and the subject. He noted that the five properties exhibited individual sale values ranging from \$117.51 to \$220.37 per SF. He noted that the subject fits well within this range at \$148.44 per SF which includes a positive 5% corner lot premium in its assessed value.

[16] The Respondent requested that the assessment be confirmed.

**Board Findings**

[17] The Board finds that the Complainant's sale comparable at 4207 – 17 ST SE is not comparable to the subject because it is identified in the evidence before the Board as a contaminated site and receiving a 30% reduction in assessed value because of the contamination.

[18] The Board finds that the Complainant's sale comparable at 5520 - 4 ST SE is not comparable to the subject because it is identified in the evidence before the Board as a contaminated site and receiving a 30% reduction in assessed value because of the contamination.

[19] The Board finds that the Complainant's sale comparable at 5339 – 1A ST SW and 404-406 Manitou Rd. SE is not comparable to the subject because it is identified in the evidence before the Board as a portfolio sale and the individual values of each of the two sites involved in the sale cannot be accurately identified and compared to the subject.

[20] The Board finds that the Complainant's sale comparable at 1341/1345 Hastings Cres. SE is not comparable to the subject because it is identified by the City in the evidence before the Board as an "invalid sale" for assessment purposes since it appears not to have transacted "at arms length" in the marketplace.

[21] The Board finds that notwithstanding the foregoing, and contrary to accepted appraisal practice, the Complainant's four sales comparables have not been adjusted for time, or for differing property characteristics such as level of finish and site coverage, and thus the Board also considers them to be unreliable as indicators of alternate value for the subject.

[22] The Board finds that the Respondent's five market sales comparables display individual site characteristics (i.e. building size; site coverage; building age; etc) which more closely match each other and the subject, and hence support the assessment of the subject.

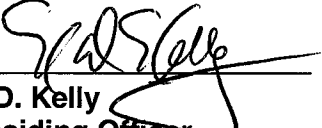
[23] The Board finds that the Respondent's five market sales comparables display individual market values ranging from \$117.51 to \$220.37 per SF and that the subject fits well within this range at \$148.44 per SF. This evidence supports the assessment.

[24] The Board finds that the Complainant supplied insufficient information to demonstrate that the assessment of the subject is incorrect and/or inequitable.

**Board's Decision:**

[25] The assessment is confirmed at \$1,710,000.

DATED AT THE CITY OF CALGARY THIS 4 DAY OF September 2012.

  
K. D. Kelly  
Presiding Officer

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

NO.	ITEM
1. C-1	Complainant Disclosure
2. R-1	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 Administrative Use Only

Appeal Type	Property Type	Property Sub-type	Issue	Sub-Issue
CARB	industrial	Multi-tenant	Market value	Market sale comparables