

**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:**

***Omni Developments 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:

<b>ROLL NUMBER:</b>	<b>033025503</b>
<b>LOCATION ADDRESS:</b>	<b>4605 – 12 Street NE, Calgary AB</b>
<b>FILE NUMBER:</b>	<b>65134</b>
<b>ASSESSMENT:</b>	<b>\$1,960,000</b>

This complaint was heard on the 15<sup>th</sup> 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:

- *Marco Smit*

Appeared on behalf of the Respondent:

- *George Bell*

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

- [1] There were no procedural or jurisdictional matters to be decided.

**Property Description:**

[2] The property that is the subject of this assessment complaint is a single-unit industrial building on a 0.78 acre lot in the McCall Industrial area of northeast Calgary. Constructed in 1980, the building contains an assessable area of 13,680 square feet of which 67% is finished as offices and laboratory. Site coverage is 40.30%.

[3] The 2012 assessment, calculated by the sales comparison approach is \$1,960,000 or \$143.96 per square foot of assessable building area.

**Issues:**

[4] The Assessment Review Board Complaint form, filed January 13, 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 stated that the property was purchased in May 2011 for \$1,695,000 and an appraisal completed at that time estimated the market value at \$1,700,000.

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

Does the May 2011 purchase price provide the best evidence of the assessed value?

**Complainant's Requested Value:** \$1,700,000

**Position of the Complainant:**

[7] The Complainant argued that the subject building is not a typical industrial warehouse building. The wall height is only 12 feet whereas modern buildings have heights of 18 feet or more. Further, there is only one small overhead door at the rear of the building which restricts loading and unloading. Also, there is no provision for vehicle parking at the front of the building so occupants and visitors must park in one of a limited number of stalls at the rear and walk around to the front entry.

[8] All of these factors were taken into account by the seller and the buyer when the property was purchased for \$1,695,000 in May 2011. The property had been offered for sale through a real estate agent for about \$1,800,000 since September 2010 and the purchaser was not the only party interested in the property.

[9] At the time of purchase, a market value appraisal was undertaken by Oliver Tighe, B.A., AACI, P.App of Linnell Taylor Lipman & Associates Ltd. In coming to a final opinion of market value of \$1,700,000 as at March 14, 2011, the appraiser used the income approach and the sales comparison approach. Based on income, the value indicator was \$1,700,000 and the sales comparison indicator of \$1,600,000 supported the income approach conclusion. The Complainant provided copies of portions of the appraisal report to the Board.

**Position of the Respondent:**

[10] The Respondent provided data on four industrial property sales that had occurred between August 2008 and August 2010. Sale prices were adjusted to reflect market conditions as at July 1, 2011, the valuation date for the assessment year. Adjusted prices ranged from \$120.01 to \$164.59 per square foot of building area. While no information was contained in evidence, the Respondent, when questioned, stated that building wall heights for the comparable buildings were probably between 18 and 22 feet. The Respondent also conceded that wall height and the number and type of loading doors would probably be factors that a property purchaser would consider. The sale of the subject had not been included in the data put forward by the Respondent but it was conceded that perhaps it should have been.

[11] The Respondent also provided a list of equity comparables but these were given little weight by the Board because equity had not been raised as an issue.

**Board's Decision With Reasons:**

[12] The Board finds the Complainant's evidence compelling and reduces the assessment to \$1,700,000.

[13] The Complainant stated that he had thoroughly researched the industrial market and came to the conclusion that he could pay \$1,695,000 for the property. The purchase decision was based on actual and potential income that could be obtained from the property. Obviously, the price was reasonable in the opinion of the vendor. The purchase price was confirmed by the market value appraisal that had been obtained as part of a mortgage loan application. The sale was transacted during the assessment year and final closing was in May 2011, less than two months prior to the effective valuation date for 2011 assessments.

[14] The Respondent did not dispute the sale as an open market sale.

[15] The Respondent failed to explain how a low wall height and limited loading doors would impact on market value. Further, there was no evidence before the Board explaining how the mass appraisal model used in making assessments accounted for those types of deficiencies.

DATED AT THE CITY OF CALGARY THIS 6<sup>th</sup> DAY OF Sept 2012.

  
W. Kipp  
Presiding Officer

**APPENDIX "A"**

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

<b>NO.</b>	<b>ITEM</b>
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*

<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Warehouse	Single Tenant	Sales Approach	Comparables