

**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

SREIT (West No. 1) Ltd.
(as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before

L. Yakimchuk, PRESIDING OFFICER
P. Charuk, MEMBER
J. Pratt, 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: 032028003

LOCATION ADDRESS: 3401 19 St NE

FILE NUMBER: 67660

ASSESSMENT: \$6,130,000

This complaint was heard on August 7, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- *C. VanStaden, Altus Group Limited*

Appeared on behalf of the Respondent:

- *M. Hartmann, Calgary Assessment*
- *I. McDermott, Calgary Assessment*

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

[1] Prior to the merit hearing, the Board was asked to address several preliminary issues. These included

- 1) Late arrival of Rebuttal Evidence. The Rebuttal Evidence submitted by Altus Group Limited was due at midnight July 30, 2012. It arrived at the ARB offices the following day. For this reason, the Respondent asked that the Rebuttal Evidence be removed from the presentation. The Complainant, Altus Group Limited, presented documentation that the evidence had been emailed on July 30 and refused by the City of Calgary server (rejected by a Spamhaus block list). Ms. C. VanStaden, Altus, stated that she contacted the City about the block the next morning and delivered the material the next day (also documented). As the Board is not bound by the rules of evidence, and as Altus Group Limited took immediate action to amend the problem which occurred through no fault of their own, the Board chose to include the Rebuttal Evidence in the evidence.
- 2) New Information in Rebuttal Evidence. The Respondent asked that any new evidence in the Rebuttal Evidence be removed as it was not available to the Respondent in the original Evidence package. The Complainant said the evidence supplied was all in direct response to the presentation by the Respondent. The Board decided that any Rebuttal Evidence that did not directly respond to evidence in the package would be removed as the evidence was presented. The Complainant agreed to use only information on properties used in document R-1 in the Rebuttal.
- 3) Evidence Pertinent to Section 299 of the Municipal Government Act (MGA). The Complainant asked that information requested by the Complainant from the City and not revealed in a timely fashion as legislated by Section 299 of the MGA be removed from the Respondent's Evidence. Accordingly, evidence pertaining to 4535-8A St was removed from all evidence packages and was not referred to in the merit hearing

Property Description:

[2] The subject property is a 1976 64,912 square foot (sf) multi-tenant warehouse located on 4.07 Acres (A) of Industrial Land in the North Airways district of NE Calgary. It is assessed at \$6,130,000.

Issues:

[3] Is the Approach to Assessment used by the City of Calgary appropriate for this property? How does the Assessment to Sales Ratio (ASR) affect this property subgroup?

Complainant's Requested Value: \$4,830,000

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

[4] The Complainant, C. VanStaden, Altus Group Limited, presented a list of sales of four comparable properties between 59,573 sf and 96,804 sf and ranging in year of completion from 1973 to 1983. The median Time Adjusted Sales Price of these properties was \$70/sf. The Complainant also presented an assessment chart which showed that the median assessment was \$94/sf for the four properties, and calculated an Assessment to Sales Ratio (ASR) which she argued showed that assessments do not correlate to Sales Values.

[5] Ms. VanStaden also presented a Cost Estimation based on Marshall and Swift listings which resulted in a value of \$4,837,796.

[6] The Respondent, M. Hartmann, presented a list of six sales of comparable properties, including two of the properties presented by the Complainant. She argued that the first two sales presented by the Complainant were atypical, as one was a manufacturing facility with cranes built into it, and the other was a dairy with specialized structures. Ms. Hartmann excluded the atypical properties from the City sales list. The resulting median value was \$88/sf, with a range of values from \$76.12/sf to \$100.10/sf.

[7] The Respondent stated that there were seven key factors which the City considered in Industrial Property assessment and that all of these factors were used to find comparable properties:

- 1) Building Type – IWS (single tenant), IWM (multiple tenant) IOBS (outbuilding, single tenant)
- 2) Net Rentable Area
- 3) Actual Year of Construction
- 4) Region/Location
- 5) Interior Finish Ratio
- 6) Site Coverage – 10% to 60%, with 30% being typical
- 7) Multiple Buildings

[8] The Respondent argued that Sales were the best way to find true Market Value of a property and that in this case the assessed value was within the range of values provided on the Comparable Sales list.

Board Findings

[9] The Board decided that the Complainant's ASR study confirmed the quote from Altus: "Ratio statistics cannot be used to judge the level of appraisal of an individual parcel." (*Standard on Ratio Studies 2010, International Association of Assessing Officers*) (C1, p22).

[10] The Board decided that Sales are the best indicator of Market Value provided that

Comparable Sales can be found. The Board reviewed the Sales lists provided by the Complainant and the Respondent and agreed that the list provided by the Respondent with two listings provided by the Complainant contained properties comparable to the subject.

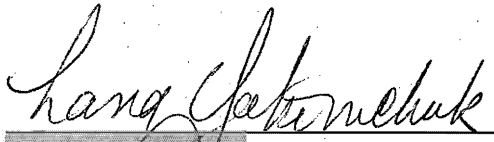
[11] The Board found that the assessment of the subject property indicated a value within the range of the Sales Values on the list of comparable properties. The assessed value was \$94/sf and the range of values was \$76.12/sf to \$100.10/sf, and the subject property had more than the median amount of land.

[12] For these reasons, the Board decided that the assessed value was supported by the Sales Comparisons presented in the evidence.

Board's Decision:

[13] The Board confirms the assessed value of \$6,130,000.

DATED AT THE CITY OF CALGARY THIS 29th DAY OF August, 2012.



Lana Yakimchuk
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal
3. 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 MGB Administrative Use Only:

Decision No. 0808-2012-P

Roll No. 092028703

Subject	Type	Issue	Detail	Issue
CARB	Industrial Warehouse	Multi	Sales	Approach/ASR