

**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

Calgary Industrial Properties 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: 032029001

LOCATION ADDRESS: 4001 23 St NE

FILE NUMBER: 68178

ASSESSMENT: \$2,190,000

This complaint was heard on August 7 and 8, 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 NE was removed from all evidence packages and was not referred to in the merit hearing

Property Description:

[2] The subject property is a 1976 15,840 square foot (sf) multi-tenant Industrial Warehouse located on 1.33 Acres (A) of Industrial land in the North Airways district of NE Calgary. It has been assessed at \$2,190,000 (\$138/sf).

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: \$1,510,000

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

[4] The Complainant, C. VanStaden, on behalf of Altus Group Limited, presented a list of nine sales of Industrial Warehouses (completed 1965 to 1983) which she said were comparable to the subject property. One property (Roll 033029000) was removed from the list because of discrepancies in land size. The Median Time Adjusted Sales Price (TASP) of these properties was \$123.50/sf. The Median value of the eight assessed values of the Sales properties was \$148.50. Ms. VanStaden also included a calculation of the Assessed Value to the Sales Value (ASR) which she said proved that the Assessments did not reflect Sales Value.

[5] The Complainant included a Cost Estimation based on Marshall and Swift values which resulted in a Cost of \$1,519,531.

[6] The Complainant also included an Income Calculation based on typical rates and the actual rent rates supported by the Assessment Request for Information (ARFI). The Income Value calculated was \$1,941,677.

[7] M. Hartmann, City of Calgary Assessor, presented an Industrial Sales Chart of seven properties completed between 1967 and 1980. The Median Sales Price was \$135/sf.

[8] 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

[9] I. McDermott, City of Calgary Assessor, testified that there is a difference between testing a specific value and building a model. He said that Models are designed for a one year period for the purposes of mass appraisal and that outliers are removed for testing for specific values.

Board Findings

[10] 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).

[11] The Board agrees that the best indicator of Market Value of a property is Sales Value. The Board reviewed the Sales evidence presented by the Complainant and the Respondent. The Assessed Value of the property was supported by the Sales prices. Further, it was also equitably supported by the Assessed Values presented by the Complainant.

[12] For these reasons, the Board accepts the assessed value of the property.

Board's Decision:

[13] The Board confirms the assessed value at \$2,190,000.

DATED AT THE CITY OF CALGARY THIS 5 DAY OF September 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