

**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

George N. Jackson Limited
(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: 032029407

LOCATION ADDRESS: 2120 39 Av NE

FILE NUMBER: 68377

ASSESSMENT: \$2,490,000

This complaint was heard on August 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*

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.
- 4) Prior to Merit Hearing 68377, CARB 1424/2012-P the Respondent asked that the value on the assessment using the Income Approach be reduced by \$1/square foot (sf), as an error had been made on the percentage of finish of the subject property. The Complainant accepted this reduction but chose to continue with the merit hearing based on other complaints. Accordingly, C1, P17, 49-134 were not addressed further in the merit hearing.

Property Description:

[2] The subject property is a 1977 Industrial Warehouse (Single Tenant) with a total net rentable area of 17,846 sf and 1.25 Acres (A) of land located in the North Airways Industrial District. It is currently assessed at \$1,960,000 (\$140/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? The Complainant had also included the percentage of finish as an issue, but accepted the reduced value offered by the Respondent preliminary to the hearing.

Complainant's Requested Value: \$1,960,000

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

[4] C. VanStaden, on behalf of Altus, presented a Sales Comparison list of Sales from September, 2009 to June 2011 of comparable properties (using area, site coverage, year of completion and finish). There were eight single tenant and one multi tenant warehouses on the list. The sizes of the parcels ranged from 0.60 A to 2.62 A and the areas of the improvements ranged from 10,140 sf to 19,984 sf. The Complainant demonstrated that the median Time Adjusted Sales Price (TASP) of the Comparable Sales properties on this list was \$124/sf and the Assessment to Sales Ratio was 111%.

[5] Using the Cost Approach, the Complainant calculated a value of improvements plus land at \$2,142,336 (\$120/sf). Ms. VanStaden said that because the property has a lower site coverage, the result is a higher value/sf.

[6] The Complainant did not address the Income Approach, as that had been discussed in Preliminary Matters.

[7] The Respondent, M. Hartmann, City of Calgary Assessor, presented an Industrial Sales Chart for properties completed between August 2008 and June 2011. Parcel size, building area, age, region, zoning, finish and site coverage were considered. There were two multi-tenant industrial warehouses and five single tenant industrial warehouses on the list. Median Time Adjusted Sales Price was \$154/sf.

[8] The Respondent argued that the best comparables to the subject property would be similar in size and single tenant properties, as well as similar age. Ms. Hartmann indicated that Roll Number 032033805 would be the most comparable property on her list as it is a Single tenant warehouse which is a similar age, size, and land size to the subject property.

[9] The Complainant argued that a Multi-Tenant Warehouse could be comparable to the Single Tenant Warehouse, but Roll Number 032033805 would not be as it has a mezzanine that was built following its sale in 2008, and which affects the area (therefore the value/sf).

Board Findings

[10] The Board decided that Sales prices of comparable properties are the best indicator of Market Value. The Board found that the Sales of Single Tenant Warehouses supported the City of Calgary assessment. The median Time Adjusted Sales Prices for similar age warehouses with similar sizes and land areas were higher than the assessed value/sf of the subject property.

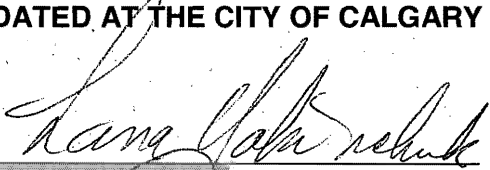
[11] The ASR study confirmed the quote by Altus "Ratio statistics cannot be used to judge the level of appraisal of an individual parcel." (*Standard on Ratio Studies 2010, International Association of Assessing Officers*) (C1, p15).

[12] The Board decided that the best assessed value of the property was the adjusted value recommended by the Respondent in the Preliminary Matters, in consideration of the adjusted finish rate.

Board's Decision:

[13] The Board adjusts the assessment to \$2,460,000.

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 (parts 1, 2, 3, 4)	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	Single	Sales	Approach/ASR