

**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

**1487345 Alberta 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: 032030603

LOCATION ADDRESS: 3700 19 St NE

FILE NUMBER: 68177

ASSESSMENT: \$2,410,000

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 NE was removed from all evidence packages and was not referred to in the merit hearing.

Property Description:

[2] The subject is assessed as a 24,016 square foot (sf) 1977 multi-tenant Industrial

Warehouse on 1.65 Acres (A) of land in the North Airways Industrial Park. It is assessed at \$2,920,000 (\$121.77/sf), including \$529,500 of exempt area.

Issues:

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: \$2,160,000 less exemption

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

Evidence and Arguments

[3] The Complainant, C. VanStaden, Altus Group Limited, asked that the Board subtract the value for the exempt portion of this property from any assessment.

[4] Ms. VanStaden presented a list of Time Adjusted Sales of Comparable Properties which resulted in a Median Sales Value of \$114/sf. The properties on the list were all Single Tenant Warehouses, except for Roll 048048409, which has a Time Adjusted Sales Price (TASP) of \$110/sf and an assessment of \$140/sf.

[5] The Complainant provided an Assessment to Sales Ratio (ASR) which indicated that the Assessment to Sales Ratios for each property often fell outside a 0.95 - 1.05 ratio, and that the median ratio for these properties was 1.06.

[6] The Complainant also presented a Cost Approach calculation, based on Marshall and Swift, which resulted in a value of \$2,645,030 for the property. (C1 - p24).

[7] The Respondent, M. Hartmann, presented an Industrial Sales Chart (multi and single tenant properties) which showed a median TASP of \$121/sf. The Complainant suggested that one of the properties was from a different area and removing it would change the median TASP to \$118.01.

[8] The Respondent argued that the Sales Approach was the best way to value the subject property as there were sufficient examples to support the assessment. The Respondent also argued that the ASR study was not an appropriate way to evaluate assessments and provided documentation to support this contention. (R1 - p30).

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, p16).

[10] The Board decided that the Sales of Industrial Properties support the City of Calgary Assessment.

Board's Decision:

[11] The Board confirms the assessment at \$2,410,000.

DATED AT THE CITY OF CALGARY THIS 5 DAY OF September 2012.

A handwritten signature in black ink, appearing to read 'Lana Yakimchuk', is written over a grey rectangular stamp.

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 3 and 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	Multi	Sales	Approach/ASR