

**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

**Hartner ULF  
(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: 032034001**

**LOCATION ADDRESS: 4120 23 St NE**

**FILE NUMBER: 68361**

**ASSESSMENT: \$2,720,000**

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 property is assessed as a 25,776 square foot (sf) multi-tenant Industrial Warehouse built in 1978. It is located on 1.38 Acres (A) in the North Airways Industrial District of Calgary and has an assessed value of \$2,720,000 (\$106/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:** \$1,840,000

**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 seven sales of multi-tenant and single tenant Industrial Warehouses. The median Time Adjusted Sales Price (TASP) for these properties was \$115/sf. The Respondent pointed out that Roll 047041504 on this list was assessed as a Suburban Office, not a Warehouse. After removing this entry, the median TASP was \$113.50/sf.

[5] Ms. VanStaden followed the discussion on Sales Comparables with an argument based on Assessment to Sales Ratios (ASR). She argued that the calculated ratios fell outside the 0.95 to 1.05 normal variance. In this case, three of the six ratios were outside these parameters.

[6] The Complainant also presented a Cost Estimation based on Marshall and Swift values. The cost calculated for this property was \$1,840,000. Ms. VanStaden added that the Cost Approach is more difficult to apply with older properties as depreciation is difficult to estimate.

[7] The Complainant calculated an Income Approach value which indicated that in order to achieve the Assessed Value, the property would have to earn \$8.61/sf rent rate. The subject rent rates average about \$8.00/sf, according to the Assessment Request for Information (ARFI).

[8] The Respondent, M. Hartmann, presented a list of five Sales of comparable properties, including one multi and four single tenant warehouses. The 1980 multi-tenant warehouse had an area of 18,024 sf (smaller than subject) on a similar size parcel. The TASP for this property was \$110.28/sf. The median TASP for all five Sales was \$115.41/sf.

[9] Ms. Hartmann also produced a table of ASR using the Income Values presented by Altus. The Respondent argued that the ASR for these values was below 1.00 in all cases, and below 0.95 for all but one, indicating that the Altus Income Approach calculations are low.

[10] The Respondent also argued that the Altus ASR Argument is not a valid support for the value of a property. (R-1, p35)

**Board Findings**

[11] 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, p12).

[12] The Board examined the Cost, Income, and Sales Approaches to arriving at value and agreed that the best approach to value is the Sales Approach, providing valid sales are available. Both the Complainant and the Respondent offered valid sales which supported the Assessed Value of the Subject Property. The Altus Income Approach and the Marshall and Swift Cost Approach underestimated the values indicated by the Market Value Sales.

**Board's Decision:**

[13] The Board confirms the assessed value of \$2,720,000.

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 horizontal line.

**Lana Yakimchuk**  
**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. C2, parts 2 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

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