

**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

***Cardinal Coach Lines 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: 033028408**

**LOCATION ADDRESS: 4836 6 St NE**

**FILE NUMBER: 68240**

**ASSESSMENT: \$3,520,000**

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*

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### Respect

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[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, a Cardinal Bus Lines parking, office, maintenance and wash area, is assessed as a multi-building (3 buildings) Industrial Warehouse completed in 1960, 1969 and 1974. It is assessed for a 16,840 square foot (sf) footprint on 2.68 Acres (A) of land with 1.39 A of extra land. Assessed value is \$3,520,000 (\$209/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:** \$1,850,000

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

[4] The Complainant, C. VanStaden, on behalf of Altus Group Limited, described the subject property as an office and two bus barns used for maintenance and washing. The buildings are on an industrial property accessed by gravel roads, with no street lights or curbs and gutters. She asked for a decrease in assessment due to the negative influence of these partial services.

[5] Ms. VanStaden provided photographs of the property, showing a large parking area, a small office (1960 completion), a long warehouse building used for washing and a smaller one used for bus maintenance. There was gravelled off-property parking on the periphery of the property.

[6] The Complainant presented a list of multi-building equity comparables with a median adjusted assessment of \$179/sf (actual \$202/sf).

[7] Sales Evidence provided by the Complainant indicated a Median Time Adjusted Sales Price (TASP) of industrial properties of \$155/sf. Ms. VanStaden did not confirm that all the comparable sales were for multi-building properties.

[8] Ms. VanStaden also included a table comparing time adjusted Assessment to Sales Ratios. She argued that these ratios were often outside the 0.95 to 1.05 acceptable range, indicating that Assessments did not reflect Market Value accurately.

[9] The Complainant presented a Cost Estimation based on Marshall and Swift. This calculation resulted in a value of \$247,653 for the buildings on the property. Ms. VanStaden recommended a 0.75 value for the land based on partial services, resulting in a value of \$1,608,000. Total value for the property by these calculations would be \$1,855,653.

[10] The Complainant also included an Income Calculation which resulted in a value of \$3,311,662 for the subject property, based on typical rents for the City.

[11] M. Hartmann, City of Calgary Assessor, presented a list of two Equity Comparables, both of which were multi-building properties. Each property was a similar age with similar size buildings but higher site coverage than the subject, and superior finish. The median rate for these properties was about \$166/sf.

[12] The City of Calgary Industrial Sales chart (R-1, p23) presented by the Respondent included three multi-building sales comparables with improvements ranging in the year of completion from 1970 to 1980. Median TASP for these properties was \$125/sf, with a range from \$92/sf to \$172/sf.

[13] 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 – single tenant, multi-tenant or out building
- 2) Net Rentable Area
- 3) Actual Year of Construction
- 4) Region/Location
- 5) Interior Finish Ratio
- 6) Site Coverage
- 7) Multiple Buildings

[14] Ms. Hartmann argued that single building Industrial Warehouse properties should not be compared to multiple building Industrial Warehouse properties, which would make some of the sales on the Complainant's list not comparable.

[15] The Respondent argued that there is no market evidence to indicate that lack of services such as street lights or curb and gutter affect the value of Industrial buildings, and that the City of Calgary does not reduce assessments for these influences.

[16] Ms. Hartmann argued that Sales Evidence is the best support for assessments as it is the best indicator of Market Value. She asked the Board to confirm the assessment based on the Sales Evidence provided.

#### Board Findings

[17] The Board confirms that Sales Evidence is generally the best indicator of Market Value when Comparable Market Sales can be produced. Accordingly, the Board reviewed the sales of comparable properties made available by the Complainant and the Respondent. The comparable sales presented by the Complainant were not all multi building properties, but Roll 054000500 was on both the Complainant's and the Respondent's lists. As well, Rolls 048043608 and 048040000 were also shown to be comparable by the Respondent. The median TASP for these properties was \$125/sf, and the average was \$130/sf. All of the buildings on the comparable properties were 10 to 20 years newer than the subject property.

[18] The Board decided that the Comparable Market Sales made available at the hearing did not support the current assessment. The Sales were for properties with newer buildings which sold at lower rates than the subject assessment. Similarly, the Equity Comparables did not support the assessment for the same reasons. Therefore, the Board did not confirm the assessment.

[19] The property is owned and occupied by a single tenant, and the support for an Income Approach valuation was not adequate to derive Market Value.

[20] 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, p17).

[21] The Marshall and Swift Cost Approach provided by the Complainant establishes a value of \$247,653 for the buildings on the property. The Complainant recommends a reduced value for the land due to influence of partial services. The Board did not find adequate evidence to prove that the lack of street lighting or curb and gutter affects the value of land, therefore the land was valued at \$800,000/A. Total value of the property was calculated to be \$247,653 (Improvements) + \$2,144,000 (Land) = \$2,391,653.

**Board's Decision:**

[22] The Board amends the assessed value of the property to \$2,250,000.

DATED AT THE CITY OF CALGARY THIS 29<sup>th</sup> DAY OF August 2012.



**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 1, 2, 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	Single	Sales	Approach/ASR