

**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: 033043407

LOCATION ADDRESS: 4504 14 St NE

FILE NUMBER: 68168

ASSESSMENT: \$5,690,000

This complaint was heard on August 9, 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.
- 4) The Complainant asked that the names be removed from the ARFI. The Board took note of the request and explained that the documents in the files are not sealed. However, a note was attached to the documents.

Property Description:

[2] The two 1976 Multi-Tenant Industrial Warehouse buildings at 4504 14 St NE were

assessed at 28,440 square feet (sf) and 28,800 sf. These buildings are located on 4.08 Acre (A) of Industrial Land in the McCall Industrial district of Calgary and were assessed at \$5,690,000 (\$99/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: \$4,540,000

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

Evidence and Arguments

[4] The Complainant, C. VanStaden on behalf of Altus, presented a list of four Sales Comparisons, two single tenant specialized properties with several buildings and two multi tenant properties with single buildings. The median Time Adjusted Sales Price (TASP) for these properties was \$70/sf, with a median assessment of \$83/sf (subject is \$99/sf).

[5] Ms. VanStaden used the Sales Comparables to produce a Time adjusted Assessment to Sales Ratio (ASR) table with a median ratio of 1.17. She argued that this supported her contention that the assessments were too high compared to Market Value.

[6] The Complainant also calculated the value of the property based on Marshall and Swift values. The Cost Approach resulted in a value of \$4,540,000.

[7] M. Hartmann, City of Calgary Assessor, supplied a 2012 Industrial Sales Chart with five multi-building sales of NE multi-tenant and single tenant properties completed from 1970 to 2006 and sold between 2008 and 2011 (time adjusted). The TASP for these properties was \$122.54/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] Ms. Hartmann said that a negative value adjustment is applied to all parcels that contain more than one building, excluding outbuildings. She argued that to be comparable, sales of multi-building properties should be compared to sales of other multi-building properties. However, she also argued that the multi-building properties on the Complainant's Sales list are

not comparable because they are special use properties.

[10] In her questioning, the Complainant was able to demonstrate that the first property on the Respondent's list of Comparable Sales was significantly newer than the subject property and probably not comparable.

Board Findings

[11] The Board considered all the evidence and decided that the Sales Approach is the best way to find Market Value, provided Comparable Sales are available. The Board examined the lists of sales presented by the Complainant and the Respondent and decided that the Complainant's list of comparables included two multi-building properties which could not be included because one had special equipment (cranes) built into the improvements for a manufacturing purpose and one was a dairy product processor with specialized equipment. The remaining two properties on the Complainant's list were single building properties and were also not closely comparable to the assessed property.

[12] The Respondent's list of sales included one property which was built in 2006 and was 30 years newer than the subject property. The Board chose to exclude this property from the Comparable Sales. The median TASP for the remaining four properties on the Respondent's list was \$124/sf. The most comparable property on the Sales Chart was Roll 048040000, which had a TASP of \$92/sf, with one acre less land than the subject. Using the City value of \$800,000/A for land, the resulting value/sf would be significantly higher than the \$99.45/sf assessed for the subject property.

[13] The Board decided that the Sales of Comparable Properties supports the assessed value of the subject property.

[14] Further, 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, p18).

Board's Decision:

[15] The Board confirms the assessment at \$5,690,000.

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, parts 1 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 building	Sales	Approach/ASR