

**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:

K.E.G. Investments Ltd. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

A. Huskinson, MEMBER

D. Morice, 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:	116024605
LOCATION ADDRESS:	7580 48 ST SE
HEARING NUMBER:	67148
ASSESSMENT:	\$4,010,000

This complaint was heard on the 13th day of August, 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:

- Mr. J. Smiley (Altus Group Limited)

Appeared on behalf of the Respondent:

- Mr. J. Young (City of Calgary)

Board's Decision in Respect of Procedural or Jurisdictional Matters:

[1] There were no concerns with the Board as constituted.

[2] There were no preliminary matters. The merit hearing proceeded.

Property Description:

[3] The subject property is a 1.85249 acre parcel located in the Foothills Industrial Park in SE Calgary. The site is improved with two single bay warehouses (IWS) that were constructed in 1993 and have the following characteristics:

Building No.	Footprint (SF)	Assessable Building Area (SF)	AYOC	Finish	Site Coverage	Rate per SF
1	13,170	13,170	1993	12%	38.22%	\$142.46
2	17,670	17,670	1993	9%	38.22%	\$121.07

The subject is assessed at a combined rate of \$130.21/SF utilizing the sales comparison approach to value.

Issues:

[4] The Assessment Review Board Complaint Form contained 14 Grounds for the Complaint. At the outset of the hearing the Complainant advised there were two outstanding issues, namely: "The aggregate assessment per square foot applied to the subject property is inequitable with the assessments of other similar and competing properties and should be \$121/SF." and "Multiple buildings on site have not been properly accounted for and adjusted by the City."

Complainant's Requested Value: \$3,660,000 (Complaint Form)
 \$3,430,000 (Disclosure)
 \$3,570,000 (Revised at Hearing)

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

Issue: Is the assessment per square foot applied to the property, inequitable?

[5] The Complainant's Disclosure is labelled C-1.

[6] The Complainant submitted the subject property has two separate improvements and will trade in a market that is similar in aggregate size. As a result, this property will trade as a property consisting of about 30,000 square feet (SF).

[7] The Complainant, at page 11, provided a table titled Equity Comparables, Foothills, 25,000 to 40,000 sq.ft., 1980 and newer, Coverage 30% to 40%. The Complainant noted the assessment per square foot (Asmt/SF) ranged from \$98 to \$143/SF and the median was \$113/SF. The Complainant advised the Asmt/SF was further adjusted for each purported comparable by adding a land adjustment in recognition of the fact that the comparables all had lower site coverage, and by adding or subtracting \$1/AYOC difference to account for the difference in age of the improvements in relation to the subject, resulting in a median adjusted Asmt/SF for the comparables of \$111/SF, in support of the requested assessment. In response to a question, the Complainant acknowledged the Asmt/SF column was in error and the median adjusted Asmt/SF should be \$116/SF and as a result the requested assessment should also be increased.

[8] The Complainant, at page 19, provided a table titled Sales of Similar Property. The table contained 7 sales comparables, all older than the subject, with areas ranging from 21,449 SF to 38,654 SF and time adjusted sales prices per square foot (TASP/SF) ranging from \$112.14 to \$172.55. The Complainant suggested the comparable sale at 7710 40 ST SE for \$172.55 was probably an outlier.

[9] The Respondent's Disclosure is labelled R-1.

[10] The Respondent, at page 12, provided a table titled 2012 Multiple Building Industrial Sales Chart, noting the property located at 6235 86 AV SE, which is very similar to the subject, sold for a TASP/SF of \$140, noting the subject is assessed at \$130/SF.

[11] The Respondent, at page 13, provided a table titled 2012 Industrial Sales Chart. The chart contained 5 sales comparables with areas ranging from 9,000 SF to 21,644 SF and TASP/SF ranging from \$106 to \$173, noting the subject improvements are 13,170 SF and 17,670 SF respectively. The Respondent submitted that buildings on multiple building parcels, such as the subject, must be analyzed separately due to often great discrepancies in size, age and condition and that a negative adjustment is then made to recognize that the buildings are on a single title. The adjustment is contained within "the Model".

[12] The Respondent, at page 15, provided a table titled Both Parties Equity Comparables, noting a number of the Complainant's equity comparables were not multi building improved. The Respondent submitted the property located at 5151 74 AV SE, which is included in both parties equity comparables, is the most comparable and is assessed at the rate of \$145/SF and \$141/SF while the subject is assessed at \$142/SF and \$121/SF. The Respondent argued its sales comparables support the assessment and the Complainant's equity comparables have an Asmt/SF ranging from \$98 to \$145/SF and the subject is assessed in the range.

[13] The Complainant, in Rebuttal (C-3), provided pictures of the Respondent's multi building improved sales comparables from page 12 of R-1 and argued they are not comparable to the unique characteristics of the subject.

- [14] The Complainant submitted a compendium of Court Decisions, which included:
Jonas v. Gilbert [1881] S.C.J. No. 5
Strathcona No. 20 (County) v. Alberta Assessment Appeal Board [1995] A. J. No. 369
Assessor for Area 09 (Vancouver) v. Bramalea Ltd [1990] C.A.V. 00992
Mountain View (County) v. Alberta (Municipal Government Board) [2000] ABQB J 594
Bentall Retail Services et al v. Assessor Area 09 – Vancouver [2006] BCSC No. 424
Decisions of the Property Assessment Appeal Board (PAAB) of British Columbia,
Mancal Holdings v. City of Calgary, CARB 1358/2011P

in support of its argument that taxpayers have the right to an assessment at the lower of market value or an equitable value compared to the assessment of similar properties, and CARB 1017/2011-P for the subject property which states “although the Board agrees that it is necessary for the City to calculate buildings individually in the case of multi-building properties, this Board does not agree that the aggregate of the parts accurately represents the market value of the whole in all instances, unless adequate adjustments are applied.”

- [15] The Board finds that 2 of the 8 Equity Comparables on page 11 of C-1 are for multi improved properties (5151 and 5152 74 AV SE) with Asmt/SF of \$143 and \$116 respectively while the subject is assessed at the rate of \$130/SF, within the range. In addition, the Complainant's sales comparables on page 19 of C-1 have TASP/SF ranging from \$112.14 to \$172.55 while the subject is assessed at the rate of \$130/SF, again within the range.

- [16] The Board finds the Sales Comparables on page 13 of R-1 have TASP/SF ranging from \$106 to \$173/SF while the subject is assessed at the rate of \$130/SF, within the range.

Issue: Have multi buildings on site been accounted for and adjusted by the City?

- [17] There was no evidence from the Complainant to support the allegation that “multiple buildings on site have not been accounted for”, while the Respondent acknowledged there were two buildings on site, they had been assessed individually and a negative multi building coefficient had been applied by the model.

Board's Decision:

- [18] The 2012 assessment is confirmed at \$4,010,000.

Reasons:

- [19] The Complainant's sales and equity comparables and the Respondent's sales comparables all support the assessment.

DATED AT THE CITY OF CALGARY THIS 30 DAY OF August 2012.



B. Horrocks
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant Rebuttal

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 Administrative Use

Subject	Property type	Property sub-type	Issue	Sub-issue
CARB	Warehouse	Single bay	Sales Approach	Equity