

**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: | 116028101 |
| LOCATION ADDRESS: | 5050 74 AV SE |
| HEARING NUMBER: | 67153 |
| ASSESSMENT: | \$4,360,000 |

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.

[3] Both parties requested that comments, questions and responses be carried forward from hearing #67148. The Complainant advised the Appendix in C-2 could be disregarded.

Property Description:

[4] The subject property is a 2.06948 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 1995 and 1996 and have the following characteristics:

| Building No. | Footprint (SF) | Assessable Building Area (SF) | AYOC | Finish | Site Coverage | Rate per SF |
|--------------|----------------|-------------------------------|------|--------|---------------|-------------|
| 1 | 18,720 | 18,720 | 1995 | 19% | 33.52% | \$123.61 |
| 2 | 11,498 | 13,716 | 1996 | 32% | 33.52% | \$149.25 |

The subject is assessed at a combined rate of \$134.45/SF utilizing the sales comparison approach to value.

Issues:

[5] 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 psf." and "Multiple buildings on site have not been properly accounted for and adjusted by the City."

Complainant's Requested Value: \$3,850,000 (Complaint Form)
\$3,820,000 (Disclosure)
\$3,730,000 (Hearing)

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

Issue: Is the assessed rate per square foot applied to the subject inequitable?

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

[7] 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).

[8] The Complainant, at page 13, 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 or subtracting a land adjustment in recognition of the difference in 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. The Complainant acknowledged the Adj. Asmt/SF column was in error. After removing the comparable located at 7576 51 ST SE and providing revisions to that column, the median adjusted Asmt/SF was calculated to be \$115/SF and as a result the requested assessment was revised to 3,730,000.

[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, which contained 3 sales with TASP ranging from \$120 to \$140/SF, noting the subject is assessed at an aggregated rate of \$134, within the range.

[11] The Respondent, at page 13, provided a table titled 2012 Industrial Sales Chart. The chart contained 10 sales comparables with areas ranging from 9,000 SF to 21,644 SF and TASP/SF ranging from \$120.86 to \$179.71, noting the subject is assessed at the rate of \$123.61 and \$149.25, within the range. 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. The Respondent noted that when comparing the medians of both parties' comparables, the Complainant's comparables were almost twice the size, they were 6 years older and the site coverage was similar. The Complainant's median assessed rate per square foot was \$116 compared to \$144 for the Respondent's comparables.

[13] The Respondent, at page 35, provided a table titled Complainant Sales Comparables noting they were much larger and much older and the median TASP/SF was \$124/SF, noting the subject is assessed at the rate of \$124 and \$149/SF. The Respondent concluded there is nothing in the evidence to support the requested assessment rate of \$115/SF.

[14] The Complainant, in Rebuttal (C-2) provided pictures of the Respondent's multiple building sales comparables from page 12 of R-1, and argued the comparables do not represent the unique characteristics of the subject property.

[15] The Board finds the Complainant's Sales comparables on page 21 are much larger and older than the subject and their median TASP/SF of \$124 does not support the requested assessed rate of \$115/SF. In addition, the Respondent's sales and equity comparables both support the assessment.

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

[16] 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:

[17] The 2012 assessment is confirmed at \$4,360,000.

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 |