

**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:

***Safeway Holdings Ltd.(as represented by Linnel Taylor Assessment Strategies),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***T. Hudson, PRESIDING OFFICER
Y. Nesry, MEMBER
D. Cochrane, 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 2011 Assessment Roll as follows:

ROLL NUMBER: 090091703

LOCATION ADDRESS: 410 38A AV SE

HEARING NUMBER: 60788

ASSESSMENT: \$1,960,000

This complaint was heard on 22nd day of July, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *J. Mayer*

Appeared on behalf of the Respondent:

- *J. Lepine*

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

There were no procedural or jurisdictional matters raised by the parties.

Property Description

The subject property is a 1.36 acre industrial parcel located in the Central industrial area. The parcel is improved with a single-tenant (IWS)*, warehouse/office building constructed in 1971, and including 8,680 square feet of assessable area with 23% office finish. Site coverage is 12.94%. The current assessment is \$1,960,000(rounded) or \$226 per square foot (psf), based on the direct sales comparison approach to value.

*NOTE: The 2011 Assessment Explanation Supplement classifies the subject warehouse/office building as single tenant (IWS). However, the Assessment Request for Information (ARFI) for the subject shows that there are two tenants in the building sharing approximately 50% of the assessable area. The Respondent explained that the IWS classification covers warehouse buildings with up to two tenants.

Issues:

The Complainant identified that the current assessment of the subject exceeds market value and is not equitable with similar properties. The Complainant also questioned the use of the direct sales comparison approach when assessing income producing properties. The Complainant therefore presented a value estimate for the subject using a capitalized income approach to value, and tested the result with a direct sales comparison estimate. In this decision, the Board will be adjudicating the assessment value of the subject property based on market and other evidence presented by the parties. The Board will not specify a preference for any particular approach used by the parties to prepare the estimated assessment value.

Complainant's Requested Value: \$1,350,000(rounded), or \$155.52psf.

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

The Board finds that the current assessment of the subject property reflects both market value and equity with the assessments of similar properties.

The Complainant introduced both an income, and a direct sales comparison approach to value assessment estimate for the subject property. The Respondent used only the direct sales comparison approach. **The Board placed little weight on the income approach due to the lack of evidence in support of the rent, vacancy, and cap rates used to calculate the assessment estimate.**

The Complainant submitted four direct sales comparables in support of the request to reduce the assessment amount for the subject property. The sales occurred in 2009 and 2010, within the Central industrial area. These sales produced a weighted mean sale price of \$135.54 psf. The Complainant then adjusted the sale prices based on a subjective analysis of the differences between the comparables and the subject, which produced a revised mean of \$148 psf. The Complainant did not submit any equity comparable evidence.

The Respondent submitted nine direct sale comparables in support of the current assessment. All of the sale prices were time adjusted from the date of sale to July 1, 2010. The median sale price of these comparables was \$223 psf. The Respondent also submitted six equity comparables, which support the current assessment.

The Board finds that the property sales submitted by the Complainant are not sufficiently similar to the subject property, to be considered comparable. All of the sale properties have larger improvements on smaller parcels, which is reflected in the lower value per square foot.

Board's Decision: The assessment is confirmed at \$1,960,000

DATED AT THE CITY OF CALGARY THIS 19th DAY OF August 2011.



T. B. Hudson
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	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.*