

**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:

***CONCERT REAL ESTATE CORPORATION,
(as represented by Altus Group), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***R. Glenn, PRESIDING OFFICER
A. Zindler, MEMBER
J. Joseph, 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:	047044003
LOCATION ADDRESS:	3110 12 St NE
FILE NUMBER:	68083
ASSESSMENT:	\$4,450,000

This complaint was heard on Monday, the 27th of August, 2012 at the offices of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, in Calgary, Alberta, in Boardroom 4.

Appeared on behalf of the Complainant:

- C. Van Staden, and M. Robinson, as Agents for the Altus Group

Appeared on behalf of the Respondent:

- G. Bell, and L. Cheng as Assessors for the City of Calgary

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

[1] There were no issues of jurisdiction or procedure raised by either of the parties when asked.

Property Description:

[2] The subject property is a 1998 vintage industrial warehouse consisting of one 35,200 SF building on a 2.22 acre parcel of land located in the NE South Airways district.

Issues:

- [3] (A) Whether the subject property assessment is too high based on:
- (i) a previous sale of the subject property,
 - (ii) sales comparables, and,
 - (iii) the Cost Approach.

Complainant's Requested Value:

[4] \$3,227,000

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

The Complainant's Position:

[5] The subject property was sold in September 2008 for \$3,843,942. This property was part of a five-property portfolio; nevertheless, a sworn affidavit filed with the title transfer valued

the subject individually at \$3,843,942, and the portfolio at \$31,240,680. The Complainant suggests that the Respondent considers all five of these sales valid as they are all included and time-adjusted as part of the Respondent's 2012 industrial sales model.

[6] The Complainant goes on to state that the sales of the subject and other properties from this portfolio have been relied on by the Respondent as sales comparables to defend other assessments in CARB #1881-2011-P, and CARB #1672-2011. The Respondent has time adjusted the 2008 sale price to \$3,227,171.

[7] The Complainant suggests that a reduction is supported by a sales comparison approach where five NE sales are presented in their materials with a median time-adjusted sale price of \$103/SF. They say that these comparables were selected based on assessable building area, building type, region, and year of construction.

[8] Assessment to sales ratios range from 88% to 138%, based on the time adjusted sale price, with none of them falling within the legislated limits of .95 to 1.05. All of these sales were used by the Respondent in creating the assessment model. They go on to say that the subject is the best sales comparable, and they note the Respondent does not use the subject in its comparables

[9] The Complainant goes on to opine that a reduction is further supported by a Cost Approach where a Marshall & Swift construction cost calculation results in an improvement value of \$2,442,339. When this figure is added to the 2.22 acres of land at \$800,000 per acre (I-G land value) it results in a total value of \$4,218,339.

The Respondent's Position:

[10] The Respondent argues that the Complainant has provided four inferior sales comparables with no adjustments made to account for the differences in these properties. In addition, they question whether the Complainant's sales comparables are arm's length transactions.

[11] They go on to say that the Complainant also provided a cost approach which the Respondent did not agree with, stating it was not the most appropriate approach in this instance.

[12] They say that an income summary was also provided with no support for the utilized cap rate. Subsequently, there is plenty of argument as to whose comparables are closer.

Board's Decision:

[13] Notwithstanding a voluminous argument, the Respondent has not really refuted the Complainant's evidence. The Board finds that the Time Adjusted Sale Price of \$3,227,000 is the best evidence of the value of the subject.

[14] Accordingly, the subject assessment is herewith reduced to the Complainant's requested amount of \$3,227,000.

DATED AT THE CITY OF CALGARY THIS 24th DAY OF SEPTEMBER, 2012.

R. Glenn
Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal Disclosure
3. 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 any other persons as the judge directs.*

For MGB Administrative Use Only

<i>Decision No.1601-2012-P Roll No.047044003</i>				
<u><i>Subject</i></u>	<u><i>Type</i></u>	<u><i>Issue</i></u>	<u><i>Detail</i></u>	<u><i>Issue</i></u>
CARB	Industrial Warehouse	Equity	Sales	Market Value