

**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:

**HARMIN HOLDINGS LTD./ LEOTEL HOLDINGS LTD.**  
*(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:** 048042709  
**LOCATION ADDRESS:** 2016 25 AVE NE  
**FILE NUMBER:** 68078  
**ASSESSMENT:** \$3,770,000 ( \$111/SF)

This complaint was heard on Tuesday, the 28<sup>th</sup> day of August, 2012 at the offices of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, in Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

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

Appeared on behalf of the Respondent:

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

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

[1] There was one preliminary issue raised regarding jurisdiction or procedure by the parties when asked. The parties mutually requested that tenant names from pages 51 to 53 in the Complainant's Brief be blacked out, as they should not have been provided. The Board agreed to do so.

**Property Description:**

[2] The subject property is a multi-tenanted warehouse, comprising a total net rentable area of 33,925 SF located in the north east corner of the South Airways district on a 2.12 acre parcel of land with 29.12% site coverage.

**Issues:**

- [3] [a] Whether the assessment on the subject property is too high based on:
- [i] sales comparisons,
  - [ii] equity, and,
  - [iii] the cost approach to value.

**Complainant's Requested Value:**

- [4] \$3,120,000 (\$92/SF )

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

**The Complainant's Position:**

[5] The Complainant starts by asking that their argument and evidence from a previous file (CARB # 1603-2012-P) be applied to this and subsequent files in this series of matters because

of the similarity of the properties. The Respondent did not object and so the Board confirmed that would be done and that evidence would be carried forward.

[6] The Complainant initiates their argument by stating that recent sales of properties similar to the subject show a median adjusted sale price of \$92/SF. This seems to be borne out by the comparables they rely on.

[7] They carry on by suggesting that a direct comparison of these sales based on rents in place at the time of sale shows a median sale price ( adjusted based on market rents ) of \$90/SF.

[8] They further state that an equity approach shows the property is over-assessed in comparison to similar properties, but they provided little evidentiary support for that assertion.

[9] The Complainants carry on by suggesting that a cost approach values the improvement at \$1,146,501 plus land at \$800,000 per acre, results in a property value of \$2,842,501 (\$84/SF).

[10] On cross examination, the Complainants admitted that all of their comparables are larger than the subject, and that larger properties demonstrate comparatively lower values per square foot. They also acknowledge that most of their comparables have larger site coverage, and that site coverage is also an important factor.

**The Respondent's Position:**

[11] The Respondent argues their own sales and equity comparables, advocating that the majority of the Complainant's comparables are inferior. Their argument is very similar to previous arguments advanced by the Respondent in previous arguments in this series.

[12] The Respondent comments further on the Complainant's sales comparables. They say that some of them are multi-building parcels. They say a multi-building coefficient has been introduced based on previous CARB decisions, and as a result, multi-building parcels are adjusted downward, and therefore are not true sales or equity comparables with single building parcels.

[13] They go on to say that the Complainant relying on the direct comparison approach utilizing net rent ( C1 Page 15) is not an appropriate approach in this instance. The Respondent carries on, arguing in addition that the cost approach is not the most appropriate method to use in this instance

**Board's Decision:**

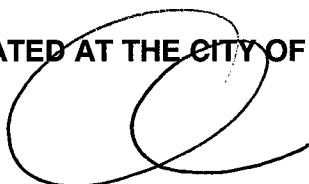
[14] On a long view, some of the Complainant's own evidence supports the assessment. Even though some of the Complainant's comparables have the initial appearance of supporting their position, when closely examined, they do not really do so.

[15] The Respondent presented both sales and equity comparables which in the mind of the Board were simply closer to the subject property's qualities. It is also interesting to note that there was no agreement between the parties regarding comparables. In the absence of agreed sales comparables, the Board looked to the income approach to value and noted the subject's most current leases support the assessment using a 5% vacancy allowance and a 7.75% capitalization rate. The income figures provided support the assessment.

[16] Notwithstanding the interesting arguments put forward by both parties, the Board believes the Complainant has not called any compelling or substantial evidence demonstrating that a change is indicated. In other words, the onus which is on the Complainant to show that the subject assessment is not correct, has not been met.

(17) Based on all of the foregoing, the Board herewith confirms the subject assessment as originally set out in the amount of: \$3,770,000.

DATED AT THE CITY OF CALGARY THIS 23<sup>rd</sup> DAY OF OCTOBER, 2012.



R. Glenn  
Presiding Officer

#### APPENDIX "A"

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

<b>NO.</b>	<b>ITEM</b>
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*

(b) any other persons as the judge directs.

*For MGB Administrative Use Only*

Decision No.1604-2012-P      Roll No.048042709				
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial Warehouse	Equity	Sales Approach	Market Value