

**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:

***SREIT (WEST NO.1) 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: 048047005

LOCATION ADDRESS: 1820- 30 AVE NE

FILE NUMBER: 67671

ASSESSMENT: \$8,420,000 (\$87/SF)

This complaint was heard on Wednesday, the 29th 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, Agent 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 Complainant suggested that certain information contained in the Respondent's Brief had not been properly disclosed and therefore should be disregarded by the Board. The Board decided to deal with the information as it was dealt with in actual argument rather than deciding the issue at this point.

Property Description:

[2] The subject property consists of two multi-tenanted warehouses, comprising a total net rentable area of 96,899 SF located in the north east area of the South Airways district on a 5.30 acre parcel of land with 41.97% site coverage. One of the buildings faces out onto 32Ave NE, even though it is not apparent from the address of the subject property.

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] \$6,820,000 (\$70/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 providing 10 equity comparables, half of which are single buildings and the remainder being two buildings on site. Two of them have larger area, but most are smaller. Their overall median is \$94/SF, whereas their adjusted assessment is \$70/SF. The basis of those adjustments is not disclosed other than the statement that "adjustments must be made for various factors".

[7] They continue by providing their sales comparables, and adding that "the sales all require adjustments to bring them to the subject". They cite two particular sales comparables where the assessment to sales ratio of the comparables is well above 1:1 (being 1.10 and 1.24 respectively) and both are well above where they should be. They state that the median sales ratio for all the comparables is 1.17:1, which is well above the Provincial acceptable range for median sale prices.

[8] On cross-examination, the Complainant confirms that they used the IC land value in their calculations. Further, the Complainant confirms that they relied on the median figure, because "it is not affected by outliers". In summary, the Complainant argues that "our comparables are superior, and, the Respondent's comparables are all smaller and therefore they are in a different market". They end their argument stating that the Respondent has not made the proper adjustments.

The Respondent's Position:

[9] A little way into the Respondent's presentation, as the Respondent attempts to introduce certain material, the Complainant objects to this as materials which were not disclosed in the summary of testimonial evidence. The Board withdraws and deliberates. The Board returns with a decision allowing the questionable material to be introduced.

[10] The Respondent argues their own sales and equity comparables, advocating that the majority of the Complainant's comparables are inferior. They also note that only one of their sales comparables is common with the Complainant. Their argument is very similar to previous arguments advanced by the Respondent in previous arguments in this series of matters.

[11] The Respondent admits on cross-examination that all of their comparables are single buildings and their materials seem to have some difficulty determining which building is the subject and which are simply other comparables. Most of the Respondent's comparables are much smaller than the subject, and on cross-examination the Respondent admits that smaller sized properties generate a lower revenue per square foot.

Board's Decision:

[13] On balance, the Respondent's argument and evidence carries the day. The comparables relied on by the Respondent, in spite of their shortcomings, are better evidence of the value of the subject property. In addition, 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.

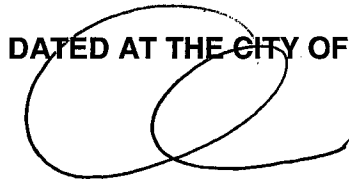
[14] The Respondent presented both sales and equity comparables which in the mind of the Board were simply closer to the subject property's qualities. The income figures provided support the assessment.

[15] Notwithstanding the subject's civic address on 30th Avenue, this property and one of its buildings have full exposure to 32nd Avenue NE, a busy commercial thoroughfare, which is superior to any of the comparables put forward by the Complainant.

[16] In spite of 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: \$8,420,000.

DATED AT THE CITY OF CALGARY THIS 23rd DAY OF OCTOBER, 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
- (b) any other persons as the judge directs.

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Decision No.1606-2012-P Roll No.048047005				
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial Warehouse	Equity	Sales Approach	Market Value