

**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:

**1616-1620 TRUSTEE 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: 048047104

LOCATION ADDRESS: 1616 27 Ave NE

FILE NUMBER: 68219

ASSESSMENT: \$20,530,000 (\$108/SF)

This complaint was heard on Tuesday, the 28th 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 parties mutually requested that pages 26 thru 30 of the Respondent's brief be redacted as there had been no proper disclosure of the information. The Board agreed to remove the requested portion.

Property Description:

[2] The subject property is a multi-tenanted industrial warehouse, built in 1999, comprising a total net rentable area of 211,350 SF located in the South Airways district on a 10.03 acre parcel of land.

Issues:

- [3] [a] Whether the assessment on the subject property is too high based on:
- [i] sales comparison,
 - [ii] equity,
 - [iii] the cost approach and,
 - [iv] the amount of exempt space

Complainant's Requested Value:

- [4] \$20,530,000 (\$97/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 initiated their argument by stating that this is a flex building which has some unusual features, namely, a sports gym, a games room including pool table and a suburban office including glass doors, large boardrooms and a high quality kitchen, a small restaurant, lab space and other machinery and equipment which is not typical to industrial warehouses.

[7] The Complainant suggested that in spite of the unusual features, the subject was not unique in the sense that if the main and overriding use of the structure is as a warehouse, it should be assessed as a warehouse, and nothing more. They say that tenants can put in any features they feel are desirable.

[8] The Complainant starts their actual argument by stating that the Respondent valued the subject by using the Cost Approach and this approach provides the upper range of value for the subject. They state that right off the top, this puts the assessment into question. They provide a copy of the Respondent's 2012 Assessment Explanation Supplement and Summary Report to back up their argument.

[9] The Complainant also brings forward some equity comparables to justify their position, all of which show assessments of several dollars less per square foot than the subject. They also provide a number of sales comparables with the comment that some of their sales comparables require various adjustments, such as, for age.

The Respondent's Position:

(10) The Respondent asserts that the subject building is simply unique and should be assessed that way. They state that upon visiting the subject building it is apparent that the subject is absolutely unique. They carry on saying that there are no sales that include all of the features that this building has. They further state that they have not brought forward any equity comparables because of the uniqueness of the subject, and so, they say, there are no suitable equity comparables.

(11) The Respondent then comments on the Complainant's sales comparables. They say one of them is a multi-building parcel. They say a multi-building coefficient has been introduced based on previous CARB decisions, and as a result, multi-building parcels are adjusted and are not seen as true sales or equity comparables with single building parcels.

(12) They say that another of the sales comparables is deemed invalid because it was transferred between related parties. They go on to say that a third sale is deemed invalid as it is a portfolio sale. They further suggest that the remaining Complainant's sales comparables support the assessment.

(13) The Respondent also comments on the 2008 sale date and the \$33,500,000 selling price of the subject property. They say that a 2012 ARFI has been sent out, but not completed.

(14) They go on to say that the Complainant has also made adjustments based on ASRs, whereas the Respondent has included documentation to explain why the ASR argument fails to show that the City's Direct Sales Comparison model does not meet provincial quality standards. They also suggest that the correct square footage that should be attributed to the exempt account is now being reviewed.

(15) The Respondents end their argument by suggesting that because the Complainant's agent has not been inside the subject, and the Respondents have been inside, the Complainants should not be allowed to comment on the interior.

Board's Decision:

(16) On a long view, some of the Complainant's own evidence supports the assessment. In the Board's view, the Complainant should be comparing the subject to other properties of similar size, that is, the Complainant's comparables should be closer in characteristics to the subject than they were.

(17) None of the Complainant's comparables have exposure similar to the subject property's exposure onto 32 Ave NE, (even though that exposure to 32 Ave is not recognized as a positive factor by the Respondent). In addition, the Board feels that this is not an appropriate case for the use of the Cost Approach to Value. There was no discussion of exempt space, although it was initially stated as an issue.

(18) 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.

(19) Based on all of the foregoing, the Board herewith confirms the subject assessment as originally set out in the amount of: \$20,530,000.

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.1612-2012-P Roll No.048074801				
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial Warehouse	Equity	Sales Approach	Market Value