

**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:

**AIRWAYS EQUITIES INC.,
(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: 048074801

LOCATION ADDRESS: 1665-32 Ave NE

FILE NUMBER: 67692

ASSESSMENT: \$16,460,000 (\$111/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 were no preliminary issues raised regarding jurisdiction or procedure by either of the parties when asked.

Property Description:

[2] The subject property is a multi-tenanted warehouse (actually two buildings with very similar size and shape), built in 1999 and 2000, comprising a total of 148,878 SF net rentable area located in the South Airways district on a 9.04 acre parcel of land. One of the buildings fronts onto 32 Ave NE.

Issues:

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

Complainant's Requested Value:

[4] \$14,320,000 (\$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 the evidence be carried forward.

[6] The Complainant initiated their argument by discussing sales of properties with a similar size and site coverage to the subject. Their sales comparables consist of one property approximately the same size as each of the subject buildings and three properties much larger than each of the subject buildings. All their sales comparables are single buildings.

(7) They carry on saying that there must be some adjustments made to their comparable figures, but do not confirm what they are, nor do they elaborate further.

(8) The Complainant continues their argument saying that the subject property can be valued using the Cost Approach plus the land value used by the assessor for land in the north east applied to the land area. They say the Cost Approach typically predicts the upper range of value as depreciation is difficult to estimate.

(9) Through their calculation using the Cost Approach, they arrive at a value of \$15,890,000, or \$106/SF (truncated).

The Respondent's Position:

(10) The Respondent asserts that the Complainant has provided three inferior single building sales with no adjustments made to account for the differences in these properties. One multi-building sale comparable was also provided which the Respondent agrees is a good comparable and notes it supports the subject assessment.

(11) They say the Complainant has also provided seven inferior equity comparables, all of which are single building parcels.

(12) They say a multi-building co-efficient has been introduced based on previous decisions of the CARB. They carry on to say that as a result, multi-building parcels are adjusted and therefore are not true sales or equity comparables with single building parcels.

(13) 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.

(14) The Respondents also argue that the Cost Approach suggested by the Complainant is not an appropriate approach in this instance.

Board's Decision:

(15) Reviewing all the evidence before the Board, the Complainant's own evidence mostly supports the assessment. The Complainant's comparables should be closer in characteristic to the subject than they were.

(16) None of the Complainant's comparables has exposure similar to the situation of facing out onto 32 Ave NE, even though the exposure to 32 Ave NE 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

(17) The Board believes the Complainant has not called any compelling or substantial evidence demonstrating that a change is indicated. In other words, the onus on the Complainant to show that the subject assessment is not correct has not been met.

(18) Based on all of the foregoing, the Board herewith confirms the subject assessment as originally set out in the amount of: \$16,460,000.

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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<i>Decision No.1612-2012-P Roll No.048074801</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 Approach	Market Value