

**COMPOSITE  
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 Ltd.), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***C. J. Griffin, PRESIDING OFFICER***

***J. Rankin, MEMBER***

***P. Charuk, 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 2011 Assessment Roll as follows:

**ROLL NUMBER: 048073902**

**LOCATION ADDRESS: 2305 – 22<sup>nd</sup> Street NE**

**HEARING NUMBER: 62987**

**ASSESSMENT: \$8,770,000.**

This complaint was heard on 4<sup>th</sup> day of August, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- C. Van Staden

Appeared on behalf of the Respondent:

- M. Berzins

**Procedural or Jurisdictional Matters:**

As a matter of Procedure the CARB, at the request of both parties, heard an extensive capitalization rate argument presented by the parties before this same panel of the CARB on August 3, 2011 and it was agreed that all of that evidence and argument would be carried forward and become applicable to this Hearing.

**Property Description:**

The subject property is categorized as being a single-tenanted warehouse type property that was originally constructed in 1998. The building has an assessable area of approximately 82,982 Sq. Ft. The building is approximately 12% finished for office uses. The property sits on a 3.72 acre parcel of land and it has a site coverage of 51.30%.

**Issues:**

While there are a number of interrelated issues outlined on the Assessment Review Board Complaint form, the Complainant reduced the issues to be considered by the CARB to:

1. The Income Approach is the best method for valuing the subject property given the volatile economy that was/is in place for the assessment valuation period.
2. There sale of the subject property supports the requested assessment.

**Complainant's Requested Value:** \$6,610,000.

**Party Positions:****Complainant's Position**

The Complainant has valued the subject property through application of the Income Approach to Value and maintains that same is the best method of valuation to be used in this instance. The Complainant's requested value of \$6,610,000 is based upon their application of the Income Approach. The Complainant also maintains that the sale of the subject property also supports their requested assessment.

The Complainant asserts that there has only been one sale of a northeast located warehouse type property in the size category of the subject; however, that sale is not overly comparable to the subject property. That property (Exhibit C-1 pg. 13) was quite a bit older than the subject having been built in 1983 vs. the subject in 1998. Additionally, the sale property has lower site coverage, lower wall height and smaller bay sizes due, primarily, to the fact that this property has two buildings on the same site.

The Complainant also pointed out (Exhibit C-1 pg. 13) that the subject property was sold in September of 2008 for \$8,205,260. The Complainant acknowledges that the property was sold as part of a five (5) property portfolio but the indicated sale price for the subject is substantiated by the Affidavit of the Transferee (Exhibit C-1 pg. 28). The Complainant referred the CARB to (Exhibit C-1 pgs. 39 – 45) the decision of *Madame Justice Acton (Acton)* which supports the contention that the sale of the subject property can be convincing evidence as to the value of that subject.

**Respondent's Position**

The Assessor maintains that they have sufficient sales data to warrant application of the Direct Comparison (Sales) Approach which they maintain is an acceptable method to derive the assessed value for a warehouse type property. The Assessor acknowledges that a goodly number of the sales utilized in their analysis date to pre 2009 but it is the Assessor's further contention that the applied 'time adjustments' have adequately addressed the differential between the economic conditions existent pre 2009 to those existent post 2009.

The Assessor provided (Exhibit R-1 pg. 15) a summary of seven (7) sales; however, one of the sales is the sale of the subject and that one could be disregarded. (CARB concurs). The six (6) remaining sales have incorporated both northeast properties (3) and southeast properties (3). The time adjusted selling price per Sq. Ft. (TASP) of these properties range from a low of \$100/Sq. Ft. to a high of \$170/Sq. Ft. and indicate a median (excluding the subject sale) of \$128/Sq. Ft. which the Assessor maintains fully supports the assessment of the subject at \$106/Sq. Ft.

**Board's Decision:**

The assessment is **confirmed** at **\$8,770,000**.

**Decision Reasons:**

The CARB refers the reader to our recent decision WR 1671-2011-P which outlines the decision regarding the Capitalization Rate Study (Study) presented by the Complainant together with the methodology argument. In that the CARB has not accepted the conclusions of the Study, the value derived through application of the income approach is also not accepted.

The Complainant has largely relied upon their application of the income approach to value to support their requested assessment and has provided little germane evidence for the CARB to consider beyond that. They did provide evidence regarding the sale of the subject and the Assessor's TASP of \$94/Sq. Ft. but this does not serve to support their requested rate of approximately \$80/Sq. Ft.

It is the responsibility of the Complainant to provide the CARB with clear and, hopefully, unequivocal, evidence to support an adjustment to the current assessment and in this case they have failed to do so.

DATED AT THE CITY OF CALGARY THIS 24 DAY OF August 2011.

  
C. J. Griffin,  
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's Capitalization Rate Study Presented in three (3) parts
2. 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.*