

**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 (MGA).

**between:**

**886530 Alberta Ltd.  
(as represented by Altus Group Limited), COMPLAINANT**

**and**

**The City Of Calgary, RESPONDENT**

**before:**

**C. J. Griffin, Presiding Officer  
B. Bickford, MEMBER  
E. Reuther, MEMBER**

This is a complaint to the Composite Assessment Review Board (CARB) 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: 137037206**

**LOCATION ADDRESS: 11560 – 42<sup>nd</sup> Street SE**

**HEARING NUMBER: 68244**

**ASSESSMENT: \$3,370,000.**

This complaint was heard on 19<sup>th</sup> day of September, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- D. Mewha
- M. Robinson

Appeared on behalf of the Respondent:

- T. Luchak

**Property Description:**

[1] The subject is, according to the *2012 Industrial Assessment Explanation Supplement* (Exhibit R-1 pg. 7), a 17,042 Sq. Ft., single tenant, industrial warehouse facility that was constructed in 2002 and which is located in the southeast industrial area of the city. The underlying site is reportedly 1.95 acres in size which includes .92 acres of what is referred to as extra land. The property has been valued for assessment purposes on the basis of the Direct Comparison (Sales) Approach.

**Issues:**

[2] There are a number of interrelated issues outlined on the Assessment Review Board Complaint form; however, at the Hearing the Complainant reduced the issue to be considered by the CARB to:

1. The assessed value is too high and it is not representative of the market value and is not equitable with the assessed values of similar properties.

**Complainant's Requested Value: \$2,910,000.** (Exhibit C-1 pg. 14)

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

[3] The Complainant provided (Exhibit C-1 pg. 14) their *Sales Comparables* which incorporates an analysis of six (6) sales of properties deemed to be similar to the subject. These sales were recorded between January 2010 and May 2011 and involve properties ranging in size from approximately 10,295 Sq. Ft. to 20,086 Sq. Ft. and are evenly split between being single and multi-tenanted properties. The degree of finished area ranges from 19% to as high as 56% versus the subject at 44%. The respective site coverages range from 13% to 34% and the *year of construction* (YOC) varies between 1997 and 2010. The unadjusted sales price of these comparables ranges from a low of \$146/Sq. Ft. to a high of \$189/Sq. Ft. with an indicated median of \$171/Sq. Ft. The *Time Adjusted Sales Price(s)* (TASP), as determined by the Assessor, range from \$145/Sq. Ft. to \$182/Sq. Ft. with an indicated median of \$165/Sq. Ft. The chart also provides the 2012 assessed value per square foot for these properties and they range from \$136/Sq. Ft. to \$203/Sq. Ft. with an indicated median of \$176/Sq. Ft. versus the subject at \$198/Sq. Ft. The Complainant's request equates to approximately \$171/Sq. Ft. inclusive of the extra land component. The excess and/or additional land component valuation methodology is outlined on pages 41 through 43 of this same Exhibit C-1. The supporting documentation for the six sale comparables is provided (Exhibit C-1 pgs. 17 – 40).

[4] The Complainant further provides (Exhibit C-1 pg. 15) a list of seven (7) equity comparables of properties deemed similar to the subject in terms of size, location and year of construction. The 2012 assessed values of these properties range from a low of \$139/Sq. Ft. to a high of \$156/Sq. Ft. and indicate a median of \$147/Sq. Ft. The Complainant has adjusted the subject to have a similar site coverage ratio as these comparables and that results in an indication of \$181/Sq. Ft. versus the aforementioned median of \$147/Sq. Ft. for the comparables. In addition the Complainant also provides, on this same page of the Exhibit C-1, two examples of properties with site coverage and additional land similar to that of the subject which indicate aggregate assessed values of \$162/Sq. Ft. and \$170/Sq. Ft. compared to the aggregate assessed value of the subject at \$198/Sq. Ft.

**Respondent's Position**

[5] The Respondent introduced (Exhibit R-1 pg. 9) their *2012 Industrial Sales Chart* (mistakenly titled as being those of the Complainant) which provides a summary of the three sales deemed comparable and utilized by the Assessor to derive the assessed value estimate for the subject property. The three sales are all single tenant warehouses and all are located in the southeast industrial sector of the city. The buildings range in size from 15,500 Sq. Ft. to 16,939 Sq. Ft. and their site coverage ranges from 15.47% to 22.64%. The sales were recorded between September 2008 and April 2011 at prices from \$3,385,000 to \$4,353,000. The TASP range from \$3,122,516 to \$3,654,5469 and the TASP/Sq. Ft. indicators range from \$189.24/Sq. Ft. to \$216.41/Sq. Ft. and same form the basis, the Respondent maintains, to support the applied \$197/Sq. Ft. (rounded) rate applied to the subject property.

[6] The Respondent also produced (Exhibit R-1 pg. 11) a *2012 Industrial Equity Chart* with seven (7) properties deemed to be comparable and equitable to the subject. These properties appear comparable in terms of site size, building size, general location, finished area and site coverage. The assessed rate/Sq. Ft. of these properties ranges from a low of \$186.31 to a high of \$224.77/Sq. Ft. Based upon this information the Respondent contends that the subject has been treated equitably.

**Complainant's Rebuttal**

[7] The Complainant provided evidence (Exhibit C-2 pg. 5) that the Respondent's sale of 4398 – 112 Ave. SE requires adjustment to account for the two crane rail systems included in the building and that the building was reportedly generating \$20/Sq. ft. in rent as opposed to the \$13/Sq. Ft. being generated by the subject. The Complainant also provides evidence (Exhibit C-2 pgs. 6 -9) that the sale of the property located at 3650/3698 – 46 Ave. SE (both address have the same legal description and the same title number) is compromised by the fact that the purchaser reportedly had a strong international tenant prepared to lease the property together with an additional acre of land for a five year term at a rate of \$19.27/Sq. Ft.

**Board's Decision:**

[8] The assessment is **reduced** to: **\$2,910,000.**

**Decision Reasons:**

[9] The CARB is of the judgment that two of the three sales comparables utilized by the Respondent are questionable for the reasons brought forth in the Complainant's Rebuttal. Additionally, the CARB noted that all of the sales used by the Respondent have finished area in the 10% to 16% range as opposed to the 44% of the subject and this reduces, in the judgment of the CARB, their comparability. In the final analysis the CARB finds the sales evidence of the Complainant to be more comparable to the subject

DATED AT THE CITY OF CALGARY THIS 4<sup>th</sup> DAY OF Oct 2012.

  
C. J. Griffin, Presiding Officer

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

Decision No. 1793-2012-P		Roll No. 137037206		
<u>Subject</u>	<u>Type</u>	<u>Sub Type</u>	<u>Issue</u>	<u>Sub Issue</u>
CARB	Industrial	Warehouse	Market Value	Comparability