

**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:

***Telsec Property Corporation*
(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: 200954253

LOCATION ADDRESS: 3 11651 – 40th Street SE

HEARING NUMBER: 68209

ASSESSMENT: \$670,500.

This complaint was heard on 20th 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 Condo Assessment Explanation Supplement* (Exhibit C-1 pg. 12), a 3,041 Sq. Ft., industrial condominium unit that was constructed in 2006. The property is located within the East Shepard Industrial Park in southeast Calgary. 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 issues to be considered by the CARB to:

1. The assessed value is too high and it is not representative of the market value.
2. The subject property was sold in January of 2009 but this sale does not appear to have been given consideration by the Assessor.

Complainant's Requested Value: \$562,500. (Exhibit C-1 pg. 14)

Party Positions:**Complainant's Position**

[3] The Complainant provided (Exhibit C-1 pg. 14) a Summary Chart which incorporates an analysis of seven (7) 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 2,227 Sq. Ft. to 3,353 Sq. Ft. and all are individual industrial condominium units that are located in the East Shepard Industrial Park. The unadjusted sales price/Sq. Ft. of these comparables ranges from a low of \$147/Sq. Ft. to a high of \$189/Sq. Ft. and the Assessor's assessed Value/Sq. Ft. ranges from \$147/Sq. Ft. to \$188/Sq. Ft. The Median sales price/Sq. Ft. for these comparables is \$185/Sq. Ft. and the indicated Median assessed Value/Sq. Ft. is \$188/Sq. Ft. The Complainant also provides (Exhibit C-1 pgs. 23 – 32) supporting evidence, in the form of sales summary sheets, for the sales comparables provided. The Complainant's request of \$562,500 (truncated) equates to approximately \$185/Sq. Ft. and the Complainant maintains that the foregoing provides support for such a request.

[4] This same Summary Chart also provides a summary of the sale of the subject property which was recorded in January 2009. The reported sales price was \$525,000 which equates to approximately \$173/Sq. Ft. The Assessed value of the subject equates to approximately \$220/Sq. Ft. The Complainant also provides (Exhibit C-1 pgs. 16 – 22) supporting documentation in the form of a sale summary sheet from the Commercial Edge data supplier as well as the Transfer of Land document and the Affidavit of Value.

Respondent's Position

[5] The Respondent introduced (Exhibit R-1 pg. 10) their *2012 Industrial Condo Sales Comparables* which provides a summary of three industrial condominium unit sales deemed comparable to the subject and utilized by the Assessor to support the assessed value estimate for the subject property. The three sales were recorded between July 2009 and December

2010 at prices from \$567,000 to \$812,500. The selling price/Sq. Ft. indicators range from \$210/Sq. Ft. to \$228/Sq. Ft. The Respondent maintains that the foregoing provides support for the \$221/Sq. Ft. rate that has been applied to the subject property.

Complainant's Rebuttal

[6] The Complainant produced evidence in the form of an Industrial Transaction Summary (Exhibit C-2 pgs. 3 - 5) that refers to the Respondent's sale comparable #2, located at 7003 - 30th Street SE. The Complainant notes that, under the heading Physical Details, the property is described as being of wood frame and concrete block construction which dates back to 1979. The Complainant maintains that the foregoing would indicate that this property is not comparable to the subject and it should therefore be given little consideration by the CARB.

Board's Decision:

[7] The assessment is **reduced** to: **\$562,500.**

Decision Reasons:

[8] The Complainant pointed out to the CARB that one of the three comparables provided by the Respondent dates back to July 2009 yet the sale of the subject property in January of 2009 has not been considered by the Assessor as it is deemed to be too old for consideration. The CARB questions this policy of the Respondent unless there is evidence provided to suggest a significant shift in the market place occurred during the first six months of 2009. No such evidence was provided.

[9] The CARB agrees with the Complainant's contention that the Respondent's sales comparable located at 7003 - 30th Street SE is not a good comparable given it's age and wood framed construction. As a result of the foregoing the Respondent's support for the assessed value of the subject property is based upon two sales. The Complainant has produced seven sales comparables for the Board to consider and the CARB finds the weight of this evidence to be superior to that of the Respondent.

DATED AT THE CITY OF CALGARY THIS 26th DAY OF Oct 2012.



C. J. Griffin
Presiding Officer

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

Decision No. 1798-2012-P		Roll No. 200954253		
<u>Subject</u>	<u>Type</u>	<u>Sub Type</u>	<u>Issue</u>	<u>Sub Issue</u>
CARB	Industrial	Condo Unit	Market Value	Sale of Subject