

**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:

***Place-Crete Holdings Inc.*
(as represented by Assessment Advisory Group), COMPLAINANT**

and

The City Of Calgary, RESPONDENT

before:

***J. Krysa, PRESIDING OFFICER
D. Steele, MEMBER
K. Farn, 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:	091031906
LOCATION ADDRESS:	5060 12A St SE
HEARING NUMBER:	63532
ASSESSMENT:	\$2,700,000

The complaint was heard on August 23, 2011, in Boardroom 2 at the office of the Assessment Review Board, located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- T. Howell

Appeared on behalf of the Respondent:

- J. Greer

Board's Decision in Respect of Procedural or Jurisdictional Matters:

There were no procedural or jurisdictional matters raised by either party during the course of the hearing.

Property Description:

The subject property is a 28,339 sq.ft. (square foot) (0.65 acre) parcel of land, improved with a 14,977 sq.ft. "A2" class, multi-tenant warehouse structure, constructed in 1995. The assessment is based on a total rentable building area of 15,321 sq.ft.

Issues:

The Complainant raised the following matter in section 4 of the complaint forms:

3. an assessment amount

The Complainant set out 2 grounds for the complaint in section 5 of the complaint form with a requested assessment of \$1,730,000, however at the hearing the Complainant led evidence and argument only in relation to the following issue:

- The assessed value is incorrect and fails to meet the legislated standard of market value.

Complainant's Requested Value:

At the hearing, the Complainant requested that the subject property be assessed at \$1,540,000.

Board's Decision in Respect of the Issue:

The Complainant argued that the assessment of the subject property exceeds its market value. In support of the argument, the Complainant submitted three comparable sales that exhibit a range of sale prices from \$81 to \$126 per sq. ft. in contrast to the subject's assessment at \$180 per sq.ft. (14,977 sq.ft). The 2011 assessments of the comparables were also provided as outlined below:

Address	Sale Date	Sq.Ft.	Sale Price	Sale Price per sq.ft.	2011 Assessment	Assessment per sq.ft.
1560 Hastings Cres SE	Dec-09	13,500	\$ 1,250,000	\$93	\$ 2,410,000	\$179
6912A Farrell Rd SE	Dec-09	17,940	\$ 1,450,000	\$81	\$ 1,820,000	\$101
4301 9 St SE	Apr-09	14,700	\$ 1,850,000	\$126	\$ 2,040,000	\$139

The Complainant further applied adjustments for site coverage and year of construction to the three sale prices to reflect the characteristics of the subject property, from which the Complainant established a rate of \$103 per sq.ft., and an estimate of market value for the subject property of \$1,539,760 [C1, pp.18–23, 40].

In response to the Complainant's evidence, the Respondent argued that the Complainant's adjustments were subjective, and were not supported by market evidence. Further, the Respondent argued that the Complainant's sale of the property located at 1560 Hastings Crescent SE was not a valid indicator of typical market value, as the property was affected by contamination. In support of that argument, the Respondent provided a RealNet transaction summary relating to the sale transaction, setting out an estimated remediation budget of \$750,000 [R1, pp.14-15].

In support of the assessment, the Respondent submitted twelve industrial sales comparables exhibiting a range of sale prices from \$81 to \$251 per sq. ft., and a median rate of \$196 per sq.ft., in contrast to the subject's assessment at \$177 per sq.ft. (15,321 sq.ft.) [R1, p.12].

In rebuttal to the Respondent's evidence, the Complainant argued that the Respondent's comparables were significantly dissimilar to the subject property and therefore not valid comparables without significant adjustments. As an example, specific attention was made to the property located at 6410 90 Ave SE, a similar size structure (16,800 sq.ft), located on a 4.87 acre parcel, in contrast to the subject parcel size of 0.65 acres.

Decision:

The Board finds that there was insufficient relevant evidence to conclude that the assessment is incorrect, or fails to meet the legislated standard of market value.

Although the Board agrees that the Complainant's sale price adjustments are subjective and therefore constitute opinion evidence, in the absence of any market evidence from the Respondent to refute the Complainant's opinion, the Board infers that the adjustments are not inappropriate.

The Board was not persuaded that the Respondent's range of sale prices from \$81 to \$251 per sq.ft. support the assessment. The wide range of sale prices indicates that the properties are dissimilar amongst themselves, and therefore are not comparable to the subject without significant adjustments; which the Respondent failed to make. Further, some of the subject's critical data, provided by the Respondent was contradictory and unreliable; for example, the subject's parcel size was indicated to be 1.19 acres at R1, p.11; and 0.65 acres at R1, p.12, and at C1, p.2, a City of Calgary document.

Notwithstanding the deficiencies in the Respondent's evidence, the Board finds that the Complainant's evidence was insufficient to show the assessment is incorrect.

The Complainant's sale at 1560 Hastings Crescent SE, was dismissed by the Board as a valid market indicator due to the potential impact of contamination on the sale price, as noted in the RealNet document. The Board noted however, that although the Respondent argued that the \$93 per sq.ft. sale price was heavily discounted due to the property's site contamination, the 2011 assessment of the same property at \$179 per sq.ft. implies that the contamination is not a negative influence.

The Board placed little weight on the Complainant's remaining sales comparables as all were stratified as class C warehouses in contrast to the subject's stratification as a class "A2", without adjustment. The Board also noted that the wall heights of the comparables were inferior to that of the subject property, further differentiating them from the subject property.

Accordingly, the assessment is confirmed at **\$2,700,000.**

DATED AT THE CITY OF CALGARY THIS

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DAY OF OCTOBER, 2011.



J. Krysa
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant's Submission
2. R1	Respondent's Submission

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.*

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouse	Multi Tenant	Sales Approach	Comparables