

**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:

***Western Concrete Cutting Canada Ltd.
(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:	091029306
LOCATION ADDRESS:	5025 13 St SE
HEARING NUMBER:	63665
ASSESSMENT:	\$2,110,000

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 53,608 sq.ft. (square foot) parcel of land, improved with a 7,650 sq.ft. "B" class, single-tenant warehouse structure, constructed in 1997. The improvement has a foot print of 6,210 sq.ft. and an upper floor area of 1,440 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 \$1,930,000. 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 \$1,250,000.

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 \$126 to \$134 per sq. ft. in contrast to the subject's assessment at \$276 per sq.ft. The 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.
5520 4 St SE	Mar-10	11,100	\$ 1,475,000	\$133	\$ 1,250,000	\$113
4609 Manitoba Rd SE	Dec-09	11,181	\$ 1,500,000	\$134	\$ 2,010,000	\$180
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 \$164 per sq.ft., and an estimate of market value for the subject property of \$1,251,276 [C1, pp.12–23, 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. The Respondent further pointed out that the Complainant's search criteria returned several comparable properties with higher sale prices, that were omitted from the analysis, without explanation.

In support of the assessment, the Respondent submitted six industrial sales comparables exhibiting a range of sale prices from \$203 to \$365 per sq. ft., and a median rate of \$282 per sq.ft., in contrast to the subject's assessment at \$276 per sq.ft. [R1, p.12].

In response 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 adjustments. As an example, the Complainant argued that five of the Respondent's six sales were not even from the same (Central) region as the subject property.

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 \$203 to \$365 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 adjustment; which the Respondent failed to make. Further, as argued by the Complainant, only one of the Respondent's comparable sales was in the same region of the municipality that the subject is located in, with no market evidence to demonstrate that the markets were similar.

In making its decision, the Board placed greatest weight on the Respondent's sale of 1107 46 Ave SE, located in the Central region. This recent sale, at \$229 per sq.ft. demonstrates a value for an inferior property in the Highfield sub-market. As the subject property is significantly newer, has significantly lower site coverage, and a higher ratio of developed space than this market indicator, it is expected that it's market value would be higher than the \$229 per sq.ft.

The Board placed little weight on the Complainant's sales comparables as all were stratified as class C warehouses in contrast to the subject's stratification as a class "B", without adjustment. Further, the Board accepts the Respondent's argument with respect to the omission of several higher valued comparables from the Complainant's analysis, without explanation.

Accordingly, the assessment is confirmed at **\$2,110,000.**

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	Single Tenant	Sales Approach	Comparables