

**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:

***Cintas Canada Ltd. (as represented by
DuCharme, McMillen and Associates (Canada) Ltd.), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***L. Wood, PRESIDING OFFICER
M. Peters, MEMBER
E. Reuther, 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:	200076628
LOCATION ADDRESS:	1235 23 AV SE
HEARING NUMBER:	63291
ASSESSMENT:	\$9,350,000

Appeared on behalf of the Complainant:

- Appeared on behalf of the Respondent:

- *Mr. T. Luchak* *Assessor, City of Calgary*

There were no procedural or jurisdictional matters raised by the parties during the hearing.

The subject property is known as the Cintas Canada Ltd. Warehouse and Distribution centre, located in the Alyth/ Bonnybrook area. It is a single tenant warehouse with 2 storey office space. It has an assessable building area of 62,158 sq. ft.; a land parcel of 4.61 acres; site coverage ratio of 28.3%; finish of 17%; and it was constructed in 2002. The land designation is I-G, Industrial General.

The subject property was valued based on the direct sales comparison approach and was assessed at a rate of \$151.00 psf.

1. The assessed value of the subject property does not reflect comparable market sales.
2. The assessed value of the subject property is not equitable with other similar or comparable properties.

Complainant's Requested Value: \$8,143,000

Board's Decision in Respect of Each Matter or Issue:

1. The assessed value of the subject property does not reflect comparable market sales.

The Complainant submitted ten sales comparables of large industrial warehouse properties, located in the SE quadrant, which sold in July 2008 - June 2010 (Exhibit C1 page 13). The properties have a building area of 50,170 - 93,250 sq. ft.; land area of 2.79 - 7.36 acres; site coverage of 21.5% - 54.9%; built in 1941 - 1999; and sold for \$53.00 - \$135.00 psf (no time adjustments).

However, in his analysis, the Complainant relied specifically on the properties located at 1320 Highfield CR SE and 2729 48 AV SE as these properties were most similar to the subject property. He noted these two comparables were also used in his equity analysis. The property located at 1320 Highfield CR SE had sold in April 2010 for \$135.00 psf and 2729 48 AV SE had

sold in June 2009 for \$127.00 psf. Using a blended rate of \$131.00 psf, the Complainant requested the subject property be assessed at \$8,143,000.

The Respondent submitted four sales comparables of large industrial warehouse properties, located in the Central, NE and SE quadrants, which had sold in September 2008 - June 2009 (Exhibit R1 page 21). The properties have a building area of 46,137 - 71,742 sq. ft.; land area of 2.96 - 7.36 acres; site coverage of 21.52% - 38.86%; built in 1967 - 2000; finish of 6% - 23%; and had sold for a time adjusted sale price of \$127.00 - \$170.00 psf and a median of \$134 psf.

The Board noted during the Respondent's cross examination, there were several discrepancies in regards to the Complainant's sales comparables; particularly, the date of sale, square footage etc., errors in which the Complainant stated came from relying on RealNet documents. As a result, three of the Complainant's sales were considered post facto, as they occurred after the valuation date of July 1, 2010. Notwithstanding, in reviewing both of the parties' sales comparables, the Board found they required too many adjustments to be of value and therefore placed little weight on them.

2. The assessed value of the subject property is not equitable with other similar or comparable properties.

The Complainant submitted four equity comparables of large industrial warehouse properties, located in the SE quadrant, in support of an alternative request of \$140.00 psf (Exhibit C1 page 12). The properties have a building area of 52,427 - 82,600 sq. ft.; land area of 2.69 - 7.36 acres; site coverage of 21.5% - 33.6%; built in 1998; and were assessed at \$124.94 - \$146.66 psf. From these comparables, the Complainant calculated a median of \$141.41 psf and a mean of \$138.60 psf. Based on a blended mean and median, the Complainant applied an assessed rate of \$140.00 psf and derived an assessed value for the subject property of \$8,702,000.

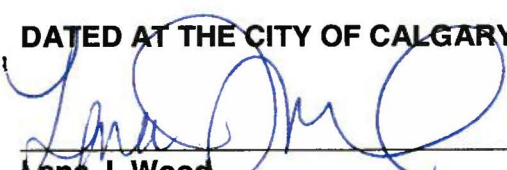
The Respondent submitted three equity comparables of large industrial warehouse properties, located in the Central and SE quadrants (Exhibit R1 page 20). The properties have a building area of 51,153 - 54,496 sq. ft.; land area of 2.69 - 6.03 acres; site coverage of 24% - 34%; built in 1998- 2001; finish of 20%- 50%; and were assessed at \$141.00- \$152.00 psf.

The Board noted the parties both used two of the same equity comparables in their analysis, specifically the property located at 1288 42 AV SE that was assessed at \$141.00 psf and 1320 Highfield CR SE assessed at \$152.00 psf. Based on the average assessed rate of \$146.50 psf, the Board finds these two equity comparables support the assessment.

Board's Decision:

The decision of the Board is to confirm the 2011 assessment for the subject property at \$9,350,000.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF OCTOBER 2011.


Lana J. Wood
Presiding Officer

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

EXHIBIT 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.*