

**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:

Woody Paylor Enterprises Ltd. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***B. Horrocks, PRESIDING OFFICER
K. Coolidge, MEMBER
B. Bickford, 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 2012 Assessment Roll as follows:

ROLL NUMBER:	049003502
LOCATION ADDRESS:	2615 26 ST NE
HEARING NUMBER:	68495
ASSESSMENT:	\$2,010,000

This complaint was heard on the 10th day of October, 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:

- R. Worthington (Altus Group Limited)

Appeared on behalf of the Respondent:

- K. Buckry (City of Calgary)

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

[1] There were no concerns with the Board as constituted.

[2] The Complainant advised there may be an issue with respect to Sections 299 and 300 of the Municipal Government Act (MGA) when the Respondent presents its evidence.

Property Description:

[3] The subject property is a 1.15 acre parcel located in the Sunridge Business Park in NE Calgary. The site is improved with a 7,080 square foot (SF) single bay (IWS) industrial building that was constructed in 1973, with 43% finish, 14.16% site coverage and an assessable building area of 8,980 SF. The subject is assessed at the rate of \$223.90/SF using the City of Calgary industrial sales model. The subject has 0.608218549 acres of extra land.

Issues:

[4] The Assessment Review Board Complaint Form contained 19 grounds for the complaint. At the outset the Complainant advised the outstanding issue was "The assessment of the subject property is in excess of its market value for assessment purposes."

Complainant's Requested Value: \$1,600,000 (Complaint Form)
\$1,490,000 (Hearing)

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

Issue: What is the market value of the subject property for assessment purposes?

[5] The Complainant's Disclosure is labelled C-1.

[6] The Complainant, at page 12, provided a table titled Industrial Sales, 5,000 to 15,000 sq. ft., 1990 and older, which was purported to represent the entire market for properties of this age and size. The table contained details of 12 sales with time adjusted sale prices (TASP)/SF ranging from \$89 to \$200. It was noted the subject is assessed at the rate of \$223.90/SF.

[7] The Complainant submitted the best comparable was the property located at 428 Moraine RD NE which sold for \$1,600,000 on March 29, 2011. The Complainant noted the site coverage was 20% while the subject site coverage is 14% and finish was 60% while the subject finish is 43%. The Complainant submitted that site coverage is the most critical component affecting market value in support accepting this property as most comparable. Using 9,506 SF, the Complainant determined that the comparable property sold for \$166 PSF which was the basis for its request.

[8] The Respondent's Disclosure is labelled R-1.

[9] The Respondent, at page 9 provided the 2012 Industrial Assessment Explanation Supplement for the property located at 428 Moraine RD NE, the Complainant's best comparable, noting it is a multi-building property and has received the "multi-building reduction".

[10] The Respondent, at page 11, provided the same table as the Complainant with additional information, absent the property at 428 Moraine RD NE (identified by the Complainant as the best comparable). The table now contains details of 11 sales with TASP/SF ranging from \$88.56 to \$200, while the subject is assessed at the rate of \$222.71/SF. The Respondent acknowledged these were all of the reported sales in the size and age category in the NE.

[11] The Respondent, at page 12, provided a table titled 2012 Industrial Sales Chart 2 – Highest site coverages removed, which contained the two most comparable lowest site coverage properties of the 11 selected comparables. The Respondent noted that as the selected site coverages approach that of the subject, the rate/SF increases inferring that as the site coverage decreases the rate/SF increases. The Respondent submitted that the site coverage of the subject (14.16%) is lower than the site coverage of the comparable that is assessed at the rate of \$200/SF and therefore the subject should be assessed at a higher rate than \$200/SF, and it is. Similarly, the finish of the subject (43%) is higher than the finish for the comparable that is assessed at the rate of \$200/SF, therefore the subject should be assessed at a higher rate than \$200/SF, and it is.

[12] The Respondent submitted that the Complainant's best comparable located at 428 Moraine RD NE had sold twice in 2011, the second sale being after the valuation date of July 1st. The Respondent stated the sale on August 31, 2011 for \$1,950,000 (\$213/SF) had not been validated and was not used in the model.

[13] The Respondent, at page 17, provided the RealNet report for the sale of the property located at 428 Moraine RD NE, the Complainant's best comparable, noting the sale on March 29, 2011 was for \$1,600,000 (\$174/SF).

[14] The Respondent, starting at page 24, provided information on the multi-building coefficient and submitted that the assessment for the property located at 428 Moraine RD NE had been reduced accordingly. In response to a question, it stated the coefficient is likely between 8.86% and 9.47%.

[15] The Respondent noted the assessable building area of the Complainant's best comparable is inaccurate. On page 9 of R-1 the assessable building area is stated as 9,218 SF whereas on page 12 of C-1 the area is identified as 9,506 SF and as a result the Complainant's request for an assessment of \$166/SF is understated.


[16] The Board finds the market evidence has TASP ranging from \$673,789 to \$2,522,012 and the subject is assessed at \$2,010,000, within the range.

[17] The Board finds the Complainant had established a *prima facie case*, however it failed to demonstrate through its evidence and argument that the assessment is incorrect.

Board's Decision:

[18] The 2012 assessment is confirmed at \$2,010,000.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF NOVEMBER 2012.


B. Horrocks
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant Rebuttal

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	Warehouse Single Tenant	Sales Approach	Market value