

**REVISED  
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:**

***PREMETALCO INC. (as represented by Cushman and Wakefield Ltd),  
COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***Earl K Williams, PRESIDING OFFICER  
S Rourke, MEMBER  
J Pratt, 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: 097012991**

**LOCATION ADDRESS: 6125 51 ST SE**

**HEARING NUMBER: 61165**

**ASSESSMENT: \$6,490,000**

**ASSESSMENT PER SQUARE FOOT: \$122**

This complaint was heard on 06 day of September, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- J Goresht

Appeared on behalf of the Respondent:

- I Baigent

**Property Description:**

The subject property at 6125 51 St SE is a 53,186 square foot warehouse with a 1996 year of construction (yoc) on 3.34 ac of land in the Community of Foothills Industrial with an Industrial Property Use and Subproperty Use IN0606 Warehouse – with Internal Office Space.

**Issues:**

The assessment is not supported by equity and market value.

**Complainant's Requested Value:** \$5,109,000 which is \$96.06 per square foot

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

The Complainant and Respondent presented a wide range of evidence consisting of relevant and less relevant evidence.

The Complainant's evidence package included a map identifying the location of the property, photographs of the exterior of the building, 2011 Assessment Explanation Supplement, and details on ten comparables.

The Respondent's evidence package included a Summary of Testimonial Evidence; a map identifying the location of the property, photographs (black/white) of the exterior of the subject property, the 2011 Assessment Explanation Supplement, and details on comparables including the City of Calgary Non Residential Property Sales Questionnaire.

**Complainant**

The Complainant argued that an examination of recent sales of industrial properties as well as an examination of the Assessment Summary Reports for comparable properties supported the request for the subject property.

The Complainant's evidence included a presentation of an analysis of 10 industrial sales which were considered to be comparables to the subject property. The table titled Investment Parameter Analysis was compiled from information available from RealNet Inc and was supported by the RealNet Industrial Transaction Summary for each of the 10 transactions. For each transaction the Complainant provided date of the transaction, municipal address, price, building size and price per square foot. A summary table of the transactions presented in the evidence (Exhibit C-1) reported the average building size was 78,848 sq ft and an average sale price per square foot of \$79.00.

A review of the information outlined in the Investment Parameter Analysis table determined:

- 6 of the transactions were in the period July 2009 to July 2010, 1 was dated December 2008 and 3 were in the first 6 months of 2011
- 2 of the transactions were Receivership sales through a Court approved process, 1 was non arms length, 1 was part of a sale of a national portfolio, 2 were transactions for multi building sites, 4 were single building transactions
- 3 of the single buildings transactions were within the period July 2009 to July 2010

The following table presents particulars of the 3 transactions that are most comparable to the subject property which is a single user 53,186 sq ft building located at 6125 51 St SE:

Name/Address	Transaction Date	YOC*	Size (sq ft)	Sale Price psf*
3716 64 Ave SE	2009-07-13	1980	56,000	\$89
5049 74 Ave SE	2010-06-04	1982	55,466	\$87
2840 58 Ave SE	2010-04-14	1972	20,099	\$71

Of the above 3 comparables on the basis of size the 3716 74 Ave SE and 5049 74 Ave SE properties are the most comparable to the subject property in terms of size of the building. However, the comparables are older than the subject which has a yoc of 1996.

The Complainant also presented a further analysis of 7 of the properties that were included in the RealNet Industrial Transaction Summary. This additional analysis included assessed value, land size, building area, site coverage, building quality, year of construction (yoc) and assessment psf. The following table presents particulars of the 2 properties which are most comparable to the subject property.

Name/Address	Building Quality/YOC	Land Size	Building Size (sq ft)	Site Coverage	Assessment	Ass/sf
3716 64 Ave SE	C/1980	4.00 acres	56,000	32%	\$5,380,000	\$96.07
5049 74 Ave SE	C/1982	3.76 acres	55,466	34%	\$5,680,000	\$103.27
Subject Property	C/1996	3.34 acres	53,186	37%	\$6,490,000	\$122.02

The Complainant argued that the evidence presented supports the requested assessment of \$96.06 per square foot.

#### Respondent

The Respondent presented an analysis of industrial equity and sales comparables in support of their position. A Table titled 2011 Industrial Equity Comparables (Exhibit R-1 page 16) presented details on 7 properties. The following table compares the subject property to the 7 comparables on a number of factors.

Comparison Factor	7 Comparables (range)	Subject
Parcel Size	2.20 - 3.94 acres	3.34 acres
Building Size	46,229 – 60,700 sq ft	53,186 sq ft
Site Coverage	32% - 51%	37%
AYOC*	1998-2005	1996
Number of Buildings	1	1
Assessment psf	\$113 - \$138	\$122

\*AYOC – approximate year of construction

A further review of the comparables which considered yoc, building size, lot size, and site coverage identified 3 properties that had a similar profile to the subject property. The assessed value per square foot for the 3 comparables ranged from \$113.00 to \$130.00 per square foot.

Comparison Factor	3 Comparables (range)	Subject
Parcel Size	2.20 - 3.94 acres	3.34 acres
Building Size	51,8000 – 54,683 sq ft	53,186 sq ft
Site Coverage	32% - 51%	37%
AYOC*	1998-1999	1996
Number of Buildings	1	1
Assessment psf	\$113 - \$130	\$122

\*AYOC – approximate year of construction

The Industrial Sales Comparable table on page 17 of the Exhibit R-1 presented particulars on 10 sales for the period August 2007 to March 2010. The Time Adjusted Sale Price (TASP) per square foot was calculated for each of the 10 transactions. A review of the details determined:

- the median TASP per square foot for the 10 comparables is \$145.00
- the median TASP for 3 comparables with site coverage in the range of 32 to 38% (the subject is 37% site coverage) was \$120.00 psf
- the median TASP for comparables with the yoc between 1996 and 2000 was \$145
- the weighted average TASP per square foot for the 3 transactions during the period July 2009 to June 2010 is \$137

The Respondent argued that the evidence presented supports the current assessment of \$122.02 per square foot.


#### **Board's Findings:**

The Board's review of the Respondent's Industrial Sales Comparable (page 17 of Exhibit R-1) identified 3 transactions reported for the period July 2009 to June 2010. Of the three transactions one compared favourably to the subject on a number of variables, including region, NRZ, yoc, net rentable area, and finished % with an adjusted sale price of \$127 per square foot. An adjustment for the age and the subject's inferior site coverage provided a strong comparable to the subject property and a basis to adjust the assessment.

#### **Board's Decision:**

Based on the evidence presented the Board adjusted the assessed value to \$6,115,000 (\$115.00 psf).

DATED AT THE CITY OF CALGARY THIS 12<sup>th</sup> DAY OF December 2011.

  
**Earl K Williams**  
**Presiding Officer**

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. R2	Respondent Disclosure

*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**

<b>Subject</b>	<b>Property Type</b>	<b>Property Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
<b>CARB</b>	<b>WAREHOUSE</b>	<b>SINGLE TENANT</b>		