

**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:

***KKLM PROPERTIES 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: 116022104

LOCATION ADDRESS: 4910 76 Ave SE

HEARING NUMBER: 63725

ASSESSMENT: \$2,800,000

ASSESSMENT PER SQUARE FOOT: \$108

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 4910 76 Ave SE is a 25,800 square foot single bay warehouse with a 1981 year of construction (yoc) on 1.75 ac of land (32.93% site coverage) in the Community of Foothills Industrial with an Industrial Property Use and Subproperty Use IN0701 Multi-Bay Warehouse. Two influences were identified to be Corner Lot and Traffic Collector.

Issues:

The assessment is not supported by equity and market value.

Complainant's Requested Value: \$2,300,000 which is \$90 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, details on ten comparables.

The Respondent's evidence package included a Summary of Testimonial Evidence; a map identifying the location of the subject property, photographs of the exterior of the subject property, the 2011 Assessment Explanation Supplement, details on equity and sale comparables as well as 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 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 transactions were for single buildings 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 25,800 sq ft building located at 4910 76 Ave 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 2840 58 Ave SE property is the most comparable to the subject property in terms of size of the building. However, this comparable is older than the subject property which has a yoc of 1981.

The Complainant also presented a further analysis of 6 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 compares the subject property to the 6 comparables on a number of factors.

Comparison Factor	6 Comparables (range)	Subject
Parcel Size	1.62 - 13.83 acres	1.75 acres
Building Size	27,897 – 353,565 sq ft	25,800 sq ft
Site Coverage	9% - 59%	34%
AYOC*	1978-1994	1996
Number of Buildings	1	1
Assessment psf	\$58 - \$216	\$108

*AYOC – approximate year of construction

The following table presents particulars of the comparable which is most comparable to the subject property on the basis of yoc, land size, building area an site coverage.

Name/Address	Building Quality/YOC	Land Size	Building Size (sq ft)	Site Coverage	Assessment	Ass/sf
5920 35 St SE	C/1979	1.62 acres	27,897	40%	\$2,880,000	\$103.24
Subject Property	C/1981	1.75 acres	25,800	34%	\$2,800,000	\$108.53

The Complainant argued that the evidence presented supports the requested assessment of \$90 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 17) presented details on 7 properties. The median rate per square foot for the 7 comparables is \$109. As one of the seven comparables reports 2 buildings on the parcel of land compared to the subject property which has a single building on the parcel of land the property with the 2 buildings was excluded from further analysis.

The following table compares the subject property on a number of factors to the 6 comparables which had only one building on the parcel of land;

Comparison Factor	6 Comparables (range)	Subject
Parcel Size	1.51 – 1.95 acres	1.75 acres
Building Size	22,976 – 26,770 sq ft	25,800 sq ft
Site Coverage	29% - 38%	33%
AYOC*	1973-1990	1981
Number of Buildings	6 comparables have only 1	1
Rate psf	\$101 - \$122	\$108

*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 \$109.00 to \$111.00 per square foot.

Comparison Factor	3 Comparables (range)	Subject
Parcel Size	1.75 – 1.95 acres	1.75 acres
Building Size	22,976 – 24,584 sq ft	25,800 sq ft
Site Coverage	29% - 30%	33%
AYOC*	1975-1980	1981
Number of Buildings	1	1
Rate psf	\$109 - \$111	\$108

*AYOC – approximate year of construction

The Industrial Sales Comparable table on page 18 of the Exhibit R-1 presented particulars on 12 sales for the period September 2007 to June 2010. The Time Adjusted Sale Price (TASP) per square foot was calculated for each of the 12 transactions. A review of the details determined:

- the median TASP per square foot for the 12 comparables was \$121.00
- the median TASP for 4 comparables with site coverage in the range of 31 to 34% (the subject is 33% site coverage) was \$109.00 psf
- the median TASP for comparables with the yoc between 1979 and 1983 was \$119
- the median TASP per square foot for the 6 of the transactions during the period December 2009 to June 2010 was \$126

The Respondent argued that the evidence presented supports the current assessment of \$108 per square foot.

Board's Findings:

The subject unit assessment is well below the ranges indicated by the comparables of similar age provided by both parties and particularly the more similar property sales provided by the Respondnet

Board's Decision:

Based on the evidence presented the Board confirmed the assessment of \$2,800,000.

DATED AT THE CITY OF CALGARY THIS 13th DAY OF December 2011.



Earl K Williams
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	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

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	WAREHOUSE	SINGLE TENANT		