

**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:**

***Irving Wire Products Corporation  
(as represented by Assessment Advisory Group), COMPLAINANT***

**and**

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

**before:**

***J. Krysa, PRESIDING OFFICER  
S. Rourke, MEMBER  
P. Pask, 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:

<b>ROLL NUMBER:</b>	<b>200519544</b>
<b>LOCATION ADDRESS:</b>	<b>2729 48 Ave SE</b>
<b>HEARING NUMBER:</b>	<b>63407</b>
<b>ASSESSMENT:</b>	<b>\$10,150,000</b>

The complaint was heard on September 19, 2011, in Boardroom 4 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:

- A. Cornick

**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 7.36 acre parcel of land, improved with a single-tenanted industrial warehouse structure, constructed in 1999, having a footprint of 69,046 sq.ft. (square feet) and containing a total rentable building area of 71,742 sq.ft. The property has a building to land ratio of 21.5%.

**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 \$9,100,000. However, at the hearing the Complainant led evidence and argument only in relation to the following issue:

- The assessed value is not reflective of the property's market value.

**Complainant's Requested Value:**

At the hearing, the Complainant requested that the subject property be assessed at \$7,900,000.

**Parties' Positions:**

The Complainant argued that the assessment of the subject property exceeds its market value. In support of the argument the Complainant submitted the June 2009 sale of the subject property, plus an additional sale to demonstrate a range of sale prices from \$89 to \$127 per sq. ft., in contrast to the subject's assessment at \$141 per sq.ft.

The Complainant further applied adjustments to the comparable located at 3716 64 Ave SE, to reflect the subject's building size (-10%), site coverage (+5%), and year of construction (+ 10%), and established an average adjusted sale price of \$110 per sq.ft., as set out below:

Address	Sale Date	Sq.Ft.	Sale Price	Sale Price per sq.ft.	Net Adjustment	Adjusted rate per sq.ft.
2729 48 Ave SE ( <b>Subject</b> )	Jun-09	71,742	\$ 9,100,000	\$ 127	-	\$ 127
3716 64 Ave SE	Jul-09	56,000	\$ 4,975,000	\$ 89	+5%	\$ 93
<b>Average</b>						<b>\$ 110</b>

The Complainant's requested assessment of \$7,900,000 is established by the average rate of \$110 per sq.ft. applied to the subject's 71,742 sq.ft. [C1, pp.10-12, 30]

In cross examination, the Complainant conceded that there was no market evidence in support of the adjustments applied to the sale price of 3716 64 Ave SE; however, the Complainant argued that the adjustment is transparent, and the process is not an exact science that requires precise documentary support. The Complainant further submitted that the Respondent's criticism is moot, as the Respondent has made no adjustments to his time adjusted sale prices, to reflect the physical characteristics of the subject property.

In response to the Complainant's evidence, the Respondent argued that the Complainant's adjustments to 3716 64 Ave SE were subjective, and were not supported by market evidence. The Respondent further argued that an upward adjustment to the \$4,975,000 sale price would be required to reflect the \$3,000,000 vendor financing at an interest rate of 0% for a period of one year, as detailed in the RealNet transaction summary in respect of the sale. [R1, p.33]

The Respondent also argued that there are many comparable sales that could be analyzed and introduced into evidence. In support of that argument, the Respondent provided a list of 138 sales of single building industrial warehouse properties, exhibiting a range of sale prices from \$71 to \$377 per sq.ft. [R1, pp.21-24]

In support of the assessment, the Respondent submitted the June 2009 sale of the subject property, plus an additional sale to demonstrate a range of sale prices from \$127 to \$142 per sq. ft. and a median rate of \$134 per sq.ft., in contrast to the subject's assessment at \$141 per sq.ft. [R1, p.26]

Address	Sale Date	Parcel (Acres)	Site Coverage	Time Adjusted Sale Price*	Sq.Ft.	TASP* per sq.ft.
2729 48 Ave SE ( <b>Subject</b> )	Jun-09	7.36	21.5%	\$ 9,100,000	71,742	\$ 127
4975 43 St SE	Oct-08	3.29	32.0%	\$ 6,532,713	46,137	\$ 142
<b>Median</b>						<b>\$ 134</b>

With respect to the sale of the subject property, the Respondent argued that the assessment is within 10% of the sale price, and the sale included special equipment that is not reflected in the assessment. Further, the Respondent argued that the model predicted value is not intended to be a precise number, but a reasonable estimate within an acceptable tolerance.

During questions, the Respondent conceded that the 0% vendor financing of 3716 64 Ave SE, would have a positive influence on the sale price, and an adjustment would imply a sale price at somewhere less than the \$89 per sq.ft. in the Complainant's submission. The Respondent further conceded that the 138 sales comparables are very diverse properties that would require adjustments to relate their sale prices to the characteristics of the subject property.

**Board's Decision:**

The Board finds that the assessed value is not reflective of the property's market value.

The Board is persuaded by the Respondent's median sale price of \$134 per sq.ft., which demonstrates that the subject's assessment of \$141.48 per sq.ft., is greater than its market value. However, the Board finds that the sale of the subject property, included in both parties' evidence, best reflects the subject's market value as of the valuation date for this assessment.

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 for the characteristics set out. Nevertheless, the Board did not find the Complainant's adjusted sale of 3716 64 Ave SE to be compelling evidence of the subject's market value, as the evidence indicates it is a C quality structure with 21 foot interior clearance, in contrast to the subject, a B+ quality structure with a 45 foot ceiling height.

The Board applied no weight to the Respondent's evidence of 138 sales. Although the Respondent argued that the City of Calgary presented 100+ sales comparables whereas the Complainant presented only one, the Respondent failed to prepare an analysis of the sales or make any adjustments he conceded would be required to relate these "very diverse" sales to the subject property.

The Board was not persuaded by the Respondent's assertion that the subject's assessment is a reasonable estimate within an acceptable tolerance of the sale price. The Board notes that the subject's assessment is 11.5% greater than the subject's sale price, which included an undisclosed value of overhead cranes, craneways, and upgraded heat and electrical components. These components are not an attribute in the assessment model, and adjusting the sale price by their value would increase the assessment to sale ratio further.

The assessment is **revised** from: \$10,150,000 to: **\$9,100,000.**

DATED AT THE CITY OF CALGARY THIS

24

DAY OF NOVEMBER, 2011.

  
J. Krysa  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
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	