

**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:

CWA Holdings LTD. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

I. Weleschuk, PRESIDING OFFICER

P. Pask, 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 2012 Assessment Roll as follows:

ROLL NUMBER:	091005801
LOCATION ADDRESS:	4005 11 Street S.E.
HEARING NUMBER:	67775
ASSESSMENT:	\$5,360,000

- [1] This complaint was heard on 29th day of October, 2012 at the office of the Assessment Review Board located at Floor Number Four, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 5.

Appeared on behalf of the Complainant:

- R. Worthington

Appeared on behalf of the Respondent:

- J. Greer
- M. Hartmann

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

- [2] There were no procedural or jurisdictional matters raised by either party. Neither party objected to the panel before them.
- [3] Since the evidence presented in Complaint File 68565 (1320 Highfield Cr. SE; Decision No. 2300/2012-P) is very similar to and identical in many respects, both parties agreed to carry over the details of the evidence presented in Complaint File 68565, as well as many of the questions and answers. The Board agreed to this procedure, to expedite this hearing. When appropriate, the Complainant or Respondent identified and requested evidence, questions or answers be carried over.

Property Description:

- [4] The subject is located in the Highfield District (Central assessment region), on 4.45 acres of land, and zoned as Industrial General (I-G). It is a warehouse with a footprint of 52,811 square feet (SF) and a total assessable area of 52,944 SF. The building was built in 1963, has 17% finish, 27.23% site coverage resulting in 0.411 acres of extra land. The assessment is done using a sales comparison approach, with a rate of \$101.32/SF.

Complainant's Requested Value: \$4,940,000

Issues:

The issue relates to determining the correct 2012 assessment for the subject property, and specifically:

1. What is the correct assessment per square foot, considering the appropriate adjustments for extra land?
2. Is the assessment equitable?

Issue 1: What is the correct assessment of the subject property? Is the assessment equitable?

Complainant's Evidence

- [5] The Complainant's presentation focused on the equity of the assessment, so both issues were presented together.
- [6] The Complainant presented a summary table of five sales comparables from the area on page 5, Exhibit C1. These sales comparables also indicated the Assessment to Sales Ratio (ASR) which the Complainant stated were outside the acceptable range and therefore these sales were not reliable. That said, the indicated median time adjusted assessment is \$76/SF and mean of \$79/SF. Two of these sales were from the central assessment region, with a time adjusted assessment of \$85/SF and \$93/SF.
- [7] The Complainant presented evidence regarding how he calculated an adjustment for excess land. Using this methodology, the Complainant presented the calculation on page 6, Exhibit C1, based on an assessment of \$89/SF and adjusting for excess land, to conclude that the assessment would be \$4,840,000 or \$91.44/SF.
- [8] The Complainant presented a summary of five equity comparables (page 7, Exhibit C1) with additional support information presented in Exhibit C1. The equity comparables indicated a median of \$91/SF and mean of \$89/SF. Based on this equity evidence and using a rate of \$91/SF, then adding the excess land adjustment calculated on the previous page, the Complainant requested an assessment of \$4,940,000 (\$93.30/SF).
- [9] In rebuttal, the Complainant took issue with the comparables presented by the Respondent, and specifically the Respondent's failure to consider building quality in the assessment model and in selecting equity comparables. The Complainant made a number of comments regarding the "model" used by the City and how it was impossible for the assessed party to understand the assessment because the coefficients and factors used to calculate the assessment were not made available to the public.

Respondent's Evidence

- [10] The Respondent presented a summary of five sales comparables (page 14, Exhibit R1) from the central assessment region that indicated a median time adjusted sale price of \$108.33/SF, and a summary of eight Highfield District sales since August 2009 indicating a median ASR of 0.96. The Respondent argued that this sales evidence supported the assessment, at a rate of \$101.32/SF.
- [11] The Respondent presented a summary table of seven equity comparables on page 17, Exhibit R1, that indicated a median rate per SF of \$106.39. The Respondent again argued that the equity evidence supported the assessment.

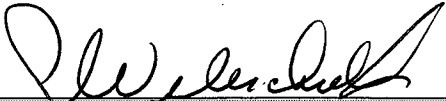
Conclusions of the Board in this Matter

- [12] The Board reviewed the comparables presented by both parties. The subject property was constructed in 1963, therefore comparables need to be from the same time period to be truly comparable. The two most similar sales comparables presented by the Respondent, related to size and year of construction, were the property at 6030 3 St. SE that sold for a time adjusted price of \$108.33/SF and the property at 7475 Flint Road SE that sold for a time adjusted price of \$82.35/SF.
- [13] Of the seven equity comparables presented by the Respondent (page 17, Exhibit R1), two were constructed in 1998. When these two 1998 equity comparables are removed, the five remaining equity comparables indicate a median of \$95.12/SF and mean of \$93.78/SF.
- [14] After considering the evidence presented, the Board concludes that the best sales and equity comparable data, as discussed above, supports the Complainant's requested rate of \$93.30/SF, or the requested assessment of \$4,940,000.

Board's Decision

- [15] For the reasons discussed above, the Board concludes that the sale and equity comparables support the Complainant's requested assessment of \$4,940,000. The Board reduces the 2012 assessment to \$4,940,000.

DATED AT THE CITY OF CALGARY THIS 16th DAY OF November 2012.


Ivan Weleschuk
Presiding Officer

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

NO.	ITEM
C1	Complainant's Disclosure
R1	Respondent's Disclosure
C2	Complainant's 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.*