

**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:**

***Hampton Development Ltd. (as represented by Altus Group Limited), COMPLAINANT***

**and**

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

**before:**

***I. Weleschuk, PRESIDING OFFICER***

***J. Pratt, 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 2012 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>091035402</b>
<b>LOCATION ADDRESS:</b>	<b>4040 Blackfoot Trail S.E.</b>
<b>HEARING NUMBER:</b>	<b>68107</b>
<b>ASSESSMENT:</b>	<b>\$10,250,000</b>

- [1] This complaint was heard on 30<sup>th</sup> 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.

**Property Description:**

- [3] The subject is located in the Highfield Community (Central assessment region), on 4.82 acres of land, and zoned as Industrial General (I-G). It is a multi-bay warehouse with a footprint of 96,501 square feet (SF) and a total of 145,000 assessable SF. A portion of the building has been developed and operates as Cash Casino, with a portion as commercial storage and a portion as retail/warehouse. The building was built in 1956 and has 45.95% site coverage. The assessment is based on a finish of 68%, however there was some uncertainty as to whether this was an accurate number, which became an issue during the hearing. The building is assessed at a rate of \$70.74/SF using a sales comparison approach.

**Complainant's Requested Value:**                      \$9,280,000      (based on \$64/SF)

**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?
2. Is the assessment equitable?

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

**Complainant's Evidence**

- [4] The Complainant's presentation focused on the equity of the assessment, so both issues were presented together.
- [5] The Complainant presented a summary table of two sales comparables from the Central assessment district and six sales comparables from the SE Industrial region (page 6, Exhibit C1). Additional support information was presented in Exhibit C1. None of these sales comparables were considered similar to the subject, or a good indicator of the value of the subject. The Complainant also stated that there were very few sales in the central district to provide a good indication of value. The Complainant argued that the Assessment to Sales Ratio (ASR) of these properties were outside the required range of 0.95 to 1.05, therefore the assessments were not reliable.
- [6] The Complainant presented a summary of five equity comparables (page 7, Exhibit C1) with additional support information presented in Exhibit C1. All five comparables were from the Foothills Industrial District and indicated both a median and mean assessment of \$64/SF.
- [7] The Complainant argued that the equity comparables demonstrated that the subject property should be assessed at a rate of \$64/SF.
- [8] 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 available to the public.

**Respondent's Evidence**

- [9] The Respondent presented a summary table of six sales comparables (page 18, Exhibit R1) which included the two central district sales presented by the Complainant. The other four of the Respondent's comparables were different from those presented by the Complainant. Based on these comparable sales, the Respondent stated that the indicated base value of these properties is \$88.45/SF and that if one considers the differences between these comparables and the subject, it supports an assessed rate of \$70.74/SF.
- [10] The Respondent also presented a summary table of equity comparables (page 32, Exhibit R1) which resulted in a median assessment of \$76.18/SF. Again, the Respondent stated that if one considers the differences between the comparables and the subject, this also supports the subject assessment of \$70.74/SF.

- [11] In response to questions from the Board relating to the 2012 Industrial Assessment Explanation Supplement (page 16, Exhibit R1 and page 13, Exhibit C1), the Respondent could not explain the comment "check office is 36.91%" which apparently referred to the amount of finish for the subject property. The Respondent opined that it appears that the percent finish should have been changed to 36.91% rather than the 68% indicated in the document. Reducing the percent finish would reduce the assessment, and the Respondent stated that the benefit of the doubt should go to the tax payer. The Respondent did not know how much a change in percent finish would reduce the assessment.

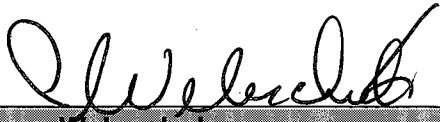
### **Conclusions of the Board in this Matter**

- [12] The Board notes the apparent confusion related to the percent finish and whether the correct building information was used in the assessment. The assessed rate of \$70.74/SF is based on the 68% finish, as indicated in the 2012 Industrial Assessment Supplement. Based on comments made by the Respondent, the Board accepts that the subject assessment should be less than the \$70.74/SF rate.
- [13] The Board examined the sales and equity comparables presented in Exhibits C1 and R1. The two sales in the Central Industrial Region presented by both parties indicate a time adjusted value of \$64/SF. The Board concludes that this is the best indication of the value of the subject property.
- [14] Both parties presented comparables, but did not provide any adjustments to translate the sales prices or assessments to better reflect the characteristics of the subject. None of the comparables presented were similar to the subject, be it in year of construction, size, percent finish, site coverage, etc. Both parties asked the Board to make rather substantial qualitative adjustments when considering the information. The Board put little weight on this evidence, as it was very subjective.
- [15] The Board notes the frustration of the Complainant with regard to understanding how the model works and how the model calculates the assessed value. That said, the Board notes that Section 27 of Matters Related to Assessment and Taxation Regulation (MRAT) does not require the coefficients used in an assessment model to be made available to the assessed person. The objective of an assessment is to determine the market value of the subject property (Section 2, MRAT) and that is the evidence that the Board is interested in hearing.

**Board's Decision**

- [16] For the reasons discussed above, the Board concludes that the appropriate value of the subject property is \$64/SF, which translates into a value of \$9,280,000. The Board reduces the assessment to \$9,280,000.

DATED AT THE CITY OF CALGARY THIS 16<sup>th</sup> DAY OF November 2012.



Ivan Weleschuk  
Presiding Officer

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

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