

**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:

**REDCLIFF REALTY ADVISORS,
(as represented by Altus Group Inc.),
COMPLAINANT**

and

**THE CITY OF CALGARY,
RESPONDENT**

before:

**R. Glenn, PRESIDING OFFICER
S. Rourke, MEMBER
Y. Nesry, 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:	201181716
LOCATION ADDRESS:	10707 25 ST SE
FILE NUMBER:	66664
ASSESSMENT:	\$31,660,000

This complaint was heard on Monday, the 29th day of October, 2012 at the offices of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, in Calgary, Alberta, in Boardroom 3.

Appeared on behalf of the Complainant:

- D. Chabot as agent for Altus Group Inc.

Appeared on behalf of the Respondent:

- K. Buckry as assessor for the City of Calgary

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

[1] There were no issues of procedure or jurisdiction raised by either of the parties at the hearing.

Property Description:

[2] The subject property is a 16.1 acre land parcel with three large multi-tenanted A-Class industrial warehouses located in Barlow North Industrial Park just north of the Calgary International Airport. The buildings were constructed between 2007 and 2009.

Issues:

[3] The Complainant seeks a reduction in the subject assessment based on the sale price of the subject in a recent sale.

Complainant's Requested Value:

[4] \$30,050,000

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

Complainant's Position:

[5] The Complainant argues that the subject property was sold on May 26, 2010 in an arm's length transaction. Their requested value is the same as the sale price. They rely on the Acton decision (697604 Alberta Ltd. V. Calgary(City of), 2005 ABQB 512, which states: the price paid in a recent free sale of the property must be very powerful evidence as to what the market value of the property is, assuming that there are neither changes to the market nor changes to the property in the interim.

[6] The decision carries on noting that: the recent free sale of a subject property is generally accepted as the best means of establishing the market value of that property. The Complainant was not sure how long the subject had been exposed to the market at the time of the sale.

[7] In rebuttal, the Complainant provides documentation illustrating that the subject property has during the relevant time, had all of the property fully leased. They carry on to say that vacancy at the airport has changed, but the subject vacancy rate has not. The Board notes that some of the buildings that are fully leased, are not occupied.

[8] In summary, the Complainant argues that the market value of airport property has not changed, and confirms that some of the fully leased buildings are not fully occupied.

Respondent's Position:

[9] The Respondent begins by confirming that the market value of the subject is in dispute. They say the the subject sale took place over one year prior to the valuation date. They note that the Complainant has provided no commentary or evidence showing the the market has stayed the same since the sale date.

[10] They suggest that they can show that the market did change from the time of the sale, by noting that the airport vacancy rate has changed from the previous assessment year. The Respondent argues that in 2010, the CARB has stated in numerous decisions that airport properties were different from non-airport properties, and that the actual airport vacancy rate should be used.

[11] They carry on indicating that the vacancy rate declined from 9.25% to 5% in the relevant time. They then present a Calgary Airport vacancy allowance document showing that the Calgary Airport Authority relied on a vacancy rate of 4.9% in 2012. However, the subject building is not located in the area controlled by the Calgary Airport Authority.

Board's Decision:

[12] The Board notes that there was no Real Net Report regarding the sale, and no detail regarding market exposure prior to the subject sale. The only thing the Board has is an assessment request.

[13] The Board also notes that the sale is not a "clean" sale, that is, the subject property is leased back to the vendor. There is no evidence to show that the subject was actually exposed to the open market for the purposes of the sale.

[14] The Board finds that there is not enough evidence to support the necessity of a change in the subject assessment. While the Complainant argues that there are not a lot of sales of property adjacent to the airport, the dearth of detail regarding the subject sale shows that there is simply not enough information to warrant a change. Accordingly, the subject assessment is herewith confirmed in the amount of \$31,660,000.

DATED AT THE CITY OF CALGARY THIS 26th DAY OF NOVEMBER, 2012.



R. Glenn, Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal
3. 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.*

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Decision No.2373-2012-P Roll No.201181716				
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial Warehouses	Equity	Sales Approach	Market Value