



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:

Baker Hughes Canada Company (as represented by Colliers International Realty Advisors Inc.), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

***L. Wood, PRESIDING OFFICER
A. Blake, MEMBER
A. Wong, 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 2013 Assessment Roll as follows:

ROLL NUMBER:	119002806
LOCATION ADDRESS:	4839 90 AV SE
FILE NUMBER:	70178
ASSESSMENT:	\$3,830,000

This complaint was heard on 7 day of August, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- T. Howell Agent, Colliers International Realty Advisors Inc.

Appeared on behalf of the Respondent:

- T. Nguyen Assessor, City of Calgary

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

[1] There were no procedural or jurisdictional matters raised by either party during the course of the hearing.

Property Description:

[2] The subject property is a single tenant industrial warehouse situated on a 4.44 acre parcel in South Foothills. The land use designation is I-G, Industrial General. The warehouse was constructed in 1987; has an assessable building area of 18,584 sq. ft.; site coverage ratio of 7.94%; and finish percentage of 35%. The warehouse was valued at a rate of \$118.89 psf. There is an excess land component of 3.26 acres which has a land adjustment of \$1,622,985. The subject property was assessed based on the direct sales comparison approach with an overall rate of \$206.23 psf.

[3] It is noted that the 2013 Industrial Assessment Explanation Supplement for the subject property adjusts the site coverage ratio from 7.94% to 30% which is considered typical for similar type properties.

Issue:

[4] Comparable properties will support a reduction to the subject property's assessment.

Complainant's Requested Value: \$2,830,000

Board's Decision: The assessment is confirmed at \$3,830,000.

Position of the Parties:

Complainant's Position:

[5] The Complainant submitted four sales comparables of single and multi tenant warehouses in support of his request (Exhibit C1 page 22). The Complainant argued that two of

the sales comparables have a significantly higher quality rating (A2) than the subject property (C+) yet they sold for a lesser rate than the assessed rate applied to the subject property. This would suggest that the subject property is outperforming newer neighbouring properties. The sales occurred in November 2011 – June 2012. The assessable building areas ranged between 17,851 – 25,726 sq. ft.; parcel sizes of 2.19 – 4.61 acres; year of construction 1973 – 2011; and site coverage ratios of 8.89% - 26.97%. The time adjusted sale price was \$129.11 - \$190.47 psf; an average of \$151.96 psf. The Complainant was unable to provide the year of construction for the property located at 235068 Wrangler Link SE in Rocky View County.

[6] The Complainant conceded that he failed to take into consideration the additional land component (3.26 acres) associated with the subject property and without that analysis he was unable to determine the effect of the additional land.

Respondent's Position:

[7] The Respondent submitted four sales comparables of single tenant warehouses in support of the current assessment (Exhibit R1 page 26). The assessable building areas ranged between 11,080 – 29,828 sq. ft.; parcel sizes of 3.05 – 3.83 acres; year of construction of 1996 – 1998; site coverage ratios of 8.34% - 17.25%; and finish percentage of 18% - 32%. The time adjusted sale price ranged between \$192.92 - \$287.90 psf; a median of \$241.10 psf. The Respondent also applied a 15% reduction to the median to reflect the lack of services in South Foothills and derived a rate of \$204.94 psf.

[8] The Respondent also submitted three sales comparables of single and multi tenant warehouses in support of the rate of \$118.89 psf applied to the warehouse and underlying land (Exhibit R1 page 28). The Respondent adjusted the site coverage ratio for the subject property to 30% and removed the 1.18 acres of additional land from his analysis. The assessable building areas ranged between 14,960 – 28,052 sq. ft.; parcel sizes of 1.18 – 2.19 acres; year of construction of 1979; site coverage ratios of 25.72% - 32.99%; and finish percentages of 5% - 40%. The time adjusted sale price was \$130.16 - \$173.80 psf; a median of \$134.15 psf. The Respondent applied the South Foothills reduction of 15% to the median and derived a rate of \$114.03 psf.

[9] The Respondent submitted nine industrial land sales in support of the land rate of \$585,000/acre that was applied to the 3.26 acres in this instance (Exhibit R1 page 30). The sales occurred in November 2009 – May 2012. The parcel sizes are 2.49 – 4.04 acres. The land use designation is I-G, Industrial General. The time adjusted sale price is \$487,583 - \$631,795/acre; a median of \$586,656/acre. The Respondent submitted that the 3.26 acres is considered to be additional lands which are lands that have the potential to be subdivided and therefore a separate land rate is applied. This is unlike excess or extra land (those terms are used interchangeably) which cannot be subdivided and the land value is calculated in the rate that is applied to the improvement, such as three of the Complainant's comparables (Exhibit R1 pages 21 – 23).

Legislative Authority:**Decisions of assessment review board**

467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

(2) An assessment review board must dismiss a complaint that was not made within the proper time or that does not comply with section 460(7).

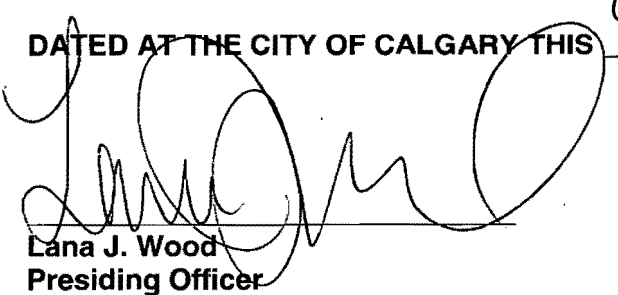
(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- (a) the valuation and other standards set out in the regulations,
- (b) the procedures set out in the regulations, and
- (c) the assessments of similar property or businesses in the same municipality.

Board's Reasons for Decision:

[10] The Board finds that the Complainant's failure to consider the additional land component of 3.26 acres proved to be detrimental to his complaint. The Board placed little weight on the sale of 235068 Wrangler Link SE which is located outside of the municipality in Rocky View County. The Board also applied little weight to the sale of 8950 Innovation AV SE, located in Shepard Industrial, which is subject to a local improvement levy as no adjustments were made to it in the Complainant's analysis. The Board finds the remaining two sales comparables presented by the Complainant were not similar to the subject property in terms of year of construction; assessable building area; parcel size; and site coverage ratio. The Board finds the current assessment of the subject property is well supported by the market evidence produced by the Respondent. No reduction is warranted.

DATED AT THE CITY OF CALGARY THIS 9th DAY OF September, 2013.



Lana J. Wood
Presiding Officer

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

NO.	ITEM
1. C1	Complainant's Disclosure
2. R1	Respondent's 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	Warehouse Single Tenant	Sales Approach	