

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:

Redag Holdings LTD. (represented by Colliers International Realty Advisors Inc.),
COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Golden, PRESIDING OFFICER
D. Julien, BOARD MEMBER
D. Morice, BOARD 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: 090041708
LOCATION ADDRESS: 107 42 AV SW
FILE NUMBER: 70302
ASSESSMENT: \$2,900,000

This complaint was heard on 27 day of August, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *B. Peacock*

Appeared on behalf of the Respondent:

- *J. Tran*

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

- [1] There were no preliminary issues.

Property Description:

- [2] The subject site contains 2 multi bay warehouse buildings designated industrial general. The C and C- quality buildings are 5250 square feet (sq ft) and 10,900 (sq. ft.) in size located on 1.44 acres of land. The improvements were constructed in 1965 and 1970. The two buildings are connected. An assessment was prepared using the direct sales approach.

Issues:

- [3] Issue 1: Does the sale comparisons used by the City in the preparation of the Direct Sales approach to valuation result in a correct assessment for the subject?

Complainant's Requested Value: \$1,900,000.

Board's Decision:

- [4] The assessment is confirmed at \$2,900,000

Board's Decision on Issue 1:

- [5] The sale comparisons used by the City resulted in a correct assessment for the subject.

Position of the Parties

Complainant's Position:

- [6] The Complainant maintained that after a review of the sales available to them it shows

that the assessment on the property is excessive. Evidence in this file is similar to file 71603 and to support this point of view 7 sales were presented to the Board. These sales comparables were determined to be similar to the subject because of similar age of construction, location and building area. The 7 sales yield a result ranging from \$91.00 per sq. ft. to \$138.00 per sq. ft. The median value is \$122.00 per sq ft and these act as the basis for the requested assessment.

[7] Although the subject is a multi building site the structures are joined and act as a single building making the comparables as single building sales acceptable.

[8] It was noted that none of the comparables were time adjusted. The Complainant generally uses the time adjustments used by the City, however, all but two of the comparables were not found in the City data. The rebuttal document containing the adjustments used by the City was presented to the Board illustrating the lack of information. Rather than adjusting two of the 7 comparables the Complainant chose to adjust none.

Respondent's Position:

[9] The Respondent firstly pointed out that the Complainant's comparables are for single building sales. Specifically the Respondent questioned the Complainant's comparable at 404 and 406 Manitou RD SE appears to be invalid as it is part of a sale with other properties and not a valid comparable. In addition Manitou RD comparable has a land use designation intended to allow a variety of commercial uses as opposed to the subject which is designated I-G. The comparable at 3602 Blackfoot Trail was not exposed to the market as shown in a 'Non Residential Property Sale Questionnaire' and therefore invalid. 1341 Hastings Crescent was not an arms length sale and should not be used in the analysis. The 2 sales at 5520 4 ST SE and 3611 9 St SE are for single buildings.

[10] Four comparable sales of multi building sales were presented to the Board supporting the assessment. The comparable at 4540 54 AV SE contained 4 buildings and may be the weakest individual sale however should be included in the larger analysis. These sales range from \$150.38 per sq ft to \$292.45per sq ft.

[11] The evidence is similar to a previous file and even the single building sales in the Complainant's evidence time adjusted support the assessment.

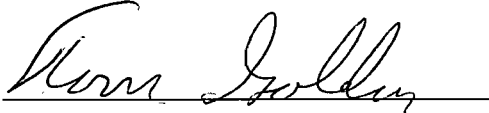
Board's Reasons for Decision:

[12] The Board firstly accepted the Respondent's position that the 7 comparables presented by the Complainant should be given little weight because of the issues discussed by the Respondent. The Complainant failed to provide sufficient evidence to demonstrate that the assessment was in error.

[13] In addition the Board accepts the method used by the Respondent in assessing multi building properties. Given this the comparables presented by the Complainant are not as strong as the sales evidence provided by the Respondent. The multiple building sales presented by the Respondent contain two questionable sales. The sale at 4540 54 AV SE contains 4 buildings and 6225 Centre ST SW appears to be superior given the very high sale price. The two remaining sales still support the assessment with an average sale price of \$175.80 per sq. ft. Compared to the assessed value of \$179.92 per sq. ft.

The Board also notes that in support of the assessment the subject has a larger land area of 1.44 acres and is located close to McLeod Trail unlike the complainant's comparables which are situated further east of the subject. The Board was not convinced the assessment was incorrect and confirms the assessment.

DATED AT THE CITY OF CALGARY THIS 8th DAY OF October 2013.



Tom Golden

Presiding Officer

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

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

Roll	Address	Subject	Issue	Detail	Sub Detail
090041708	107 42 AV SW	Warehouse	Multiple Building	Cost/sales	Comparables Improvement value