



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:

378019 ALBERTA LTD., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

Ms. V. Higham, PRESIDING OFFICER
Mr. R. Deschaine, BOARD MEMBER
Mr. A. Zindler, BOARD MEMBER

This is a complaint to the Calgary Assessment Review Board (the Board) in respect of a property assessment prepared by the Assessor of The City of Calgary (the City) and entered in the 2013 Assessment Roll as follows:

ROLL NUMBER:	091097907
LOCATION ADDRESS:	18 Highfield Circle SE Calgary, AB
FILE NUMBER:	70314
ASSESSMENT:	\$3,080,000

This complaint was heard on 24th day of June, 2013 at the office of the Calgary Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- **Mr. Ken King** **President, 378019 Alberta Ltd.**

Appeared on behalf of the Respondent:

- **Mr. Todd Luchak** **Assessor, City of Calgary**

Procedural or Jurisdictional Matters:

[1] No preliminary matters were raised during the hearing.

Property Description:

[2] The subject property is a multi-building, industrial warehouse site located at 18 Highfield Circle, in the South East (SE) region of Calgary. The 0.90 acre parcel (adjusted from 1.10 acres for unusable space) is improved with two buildings on-site: a 6,300 square-foot (sf) single-tenant industrial warehouse built in 2001 with a small retail space, and a 5,625 sf single-tenant industrial warehouse constructed in 2011, located at the rear of the property. The land use classification on the site is I-G with a single tenant designation (IWS).

Issues:

[3] The Complainant identified one issue on the Complaint Form as under appeal, that being the assessment amount. During the hearing the Complainant confirmed the requested assessment value indicated on the complaint form, and raised the following issues for the Board to consider:

- 1) Is the subject assessment equitable relative to comparable assessments of similar properties?
- 2) Is the subject assessment equitable relative to comparable sales of similar properties?
- 3) Is the income-producing capability of the subject property less than the value suggested by the current assessment?

Complainant's Requested Value: \$2,150,000

Board's Decision: For the reasons outlined herein, the Board varies the subject assessment from \$3,080,000 down to **\$2,150,000**.

Position of the Parties**Complainant's Position:**

[4] The Complainant submitted that the current assessment of the subject property is in excess of market value, and provided sales and equity comparables, as well as an appraisal produced by Colliers International Realty Advisors Inc., in support of their requested valuation.

[5] In Table 1 of Exhibit C2 on p.8, the Complainant provided a sales analysis of comparable industrial properties (of varying degrees of quality from A- to D) in the SE region of the city between September 2009 and August 2012 (including assessment values for each respective property) which yielded an average sales value of \$2,286,992, and an average per-square-foot (psf) value of \$186.76 (median value - \$197.69 psf). The Complainant submitted that these averages are well in excess of the subject's psf value of \$258.28 resulting in the current assessment of \$3,080,000.

[6] The Complainant also provided a sales data table (Table 2 - Exhibit C2, p.9), comparing the subject parcel to five properties in the SE which the Complainant argued are most similar in building area and year of construction. These comparables yielded an average psf value of \$175.45 and a median of \$175.23, compared to the subject's \$258.28 psf value.

[7] Additionally, the Complainant provided a table of equity comparables (Exhibit C2, p.11) for industrial properties in the immediate area of the subject property (all on Highfield Circle), which evidenced that those properties had a significantly lower dollar psf value than the subject's \$258.28 – the average being \$156.07, with an average assessment increase of 13.8% from respective 2012 values (the subject's increase being 21.3%).

[8] At p.56 of Appendix I in Exhibit C2, the Complainant submitted a summary of valuation estimates for each of the two approaches: Direct Sales Comparison estimate between \$2,090,000 and \$2,210,000; and Income Approach estimate between \$2,080,000 and \$2,250,000 – for a final estimate of value for the subject property of \$2,150,000.

Respondent's Position:

[9] The Respondent submitted two multi-building and three single-building industrial sales comparables in their evidence package (Exhibit R1, pp. 42-43) to support the subject assessment.

[10] The Respondent objected to two of the Complainant's comparables in Table 2 arguing that they were post facto sales and should not be considered in any analysis of value, and further objected to the lack of time-adjustments on all comparables in Table 2.

[11] The Respondent also took issue with the Complainant's appraisal, noting that many comparables utilized in the study were not similar enough to the subject property to be reliable; that the appraisal used only single-building comparables nearly all larger than the subject property; and that some of the direct sales and income comparables reflected leasehold interests only.

Board's Reasons for Decision

[12] Having carefully reviewed the evidence presented by both parties, the Board is persuaded that an assessment reduction is warranted for the subject property, given the preponderance of compelling evidence submitted by the Complainant.

[13] The Board places little weight on the Complainant's Table 1 (Exhibit C2, p.8), since most of these comparables were either post facto sales, or had significantly older dates of construction than the subject's. The Board relies on only three of the 25 sales presented in Table 1, but finds Table 2 (Exhibit C2, p.9) to be a better reflection of comparable market value, all factors considered.

[14] The Board acknowledges that two of the five sales in Table 2 are technically post facto (dated August 7th and 30th of 2012), but nevertheless finds that they are both close enough in time to the valuation date of July 1, 2012 as to be afforded some weight.

[15] Multiplying the mean/median psf value of Table 2 comparables, by the total square footage of the subject property (\$175 psf x 11,925 sf), yields a valuation of \$2,086,875, which is reasonably close to the valuation generated by the appraisal (\$2,150,000) – both of which support the Complainant's requested valuation.

[16] The Board concedes that the Complainant's appraisal reflects certain elements of imperfection, but weighed in tandem with the Complainant's equity and other evidence, and weighed against the Respondent's manifest lack of compelling evidence, the Board is persuaded to place greater weight on the Complainant's evidence submissions in total.

[17] Thus, the Board finds the Complainant's sales and equity comparables, coupled with the appraisal valuations, to be compelling and convincing – evidencing a pattern of inequity relative to other similar properties, both in the immediate area of the subject property (Highland Circle), and in the broader SE region of the city.

Board's Decision:

[18] For the reasons outlined herein, the Board varies the subject assessment from \$3,080,000 down to **\$2,150,000**.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF August 2013.



V. Higham, Presiding Officer

APPENDIX "A"

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

NO.	ITEM
1. C1, C2	Complainant's Disclosure
2. R2	Respondent's Disclosure
3. C3	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.*

For Administrative Use Only

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Industrial	Single-Tenant, Multi-Building Warehouse	Equity & Direct Sales Approach to Market Value	none