



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:

Moore's Machine 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: 032032906

LOCATION ADDRESS: 2320 32 AV NE

FILE NUMBER: 70486

ASSESSMENT: \$7,080,000

This complaint was heard on 26 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:

- *T. Howell*

Appeared on behalf of the Respondent:

- *G. Foty*

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

- [1] There were no procedural matters.

Property Description:

[2] The subject property is a C quality multi bay single warehouse of 82,164 square feet (sq. ft.) built in 1986 (sq. ft.) on a 3.91 acre site. The land use designation is I-G and the site coverage of the structure is 55.28%. An assessment was prepared on the property using the Direct Sales approach to valuation. Two influence factors were applied being corner lot and traffic main and these were not in dispute.

Issues:

- [3] **Issue 1.** Has the Direct Sales method used by the City Assessment Unit and applied to the subject property developed an accurate market value?

Complainant's Requested Value: \$6,240,000

Board's Decision: The assessment on the subject property is confirmed at \$7,080,000.

Board's Decision on Issue 1

- [4] The Direct Sales method used by the City Assessment Unit and applied to the subject is an accurate reflection of the market value.

Position of the Parties

Complainant's Position:

[5] The Complainant introduced the discussion by suggesting that they reviewed several sales of similar structures and determined that the assessment was excessive. Specifically four sales were of most importance. The sales were similar to the subject in that all were located in close proximity to the subject and of similar building area. Sale values in the comparables presented to the Board are valued between \$63.38 per sq. ft. and \$90.00 per sq. ft. The average of these sales is \$75.59 and rounded to \$76.00 per sq. ft. is the value used to develop the requested assessment of \$6,240,000.

[6] The Complainant argued that even though some of the sales comparables were for multi buildings these sales could be used in the analysis of a single building. Combining the total sq. ft. was determined to be reasonable as a buyer still had to purchase the total area of the site and buildings.

Respondent's Position:

[7] The Respondent firstly addressed the Complainant's sales comparables then discussed the sales comparables used to develop the assessment.

[8] The Respondent made the point that sales for multi building sites is different than single building sales in part because of the increased cost to construct. The Respondent's assessment process uses single building sales similar in size to each of the buildings on a multi building site. A blended rate is determined and an adjustment downward is applied based on market analysis multi building sales. Three of the Complainants comparables are for multi building warehouses.

[9] Comparable 1 from the Complainant's table is 1616 Meridian Rd SE. In the opinion of the Respondent this property is not similar to the subject as it is the sale of a specialized building. The assessment on this structure was calculated using the cost approach indicating its special nature. Finally this sale involved 3 lots rather than one as is the subject.

[10] Comparable 2 at 1939 Centre AV, is also a special purpose building assessed using the cost approach and is located on three lots. This sale was for multiple buildings. For these reasons the sale is for a property dissimilar to the subject. It was noted the sale was not brokered.

[11] The 3rd comparable at 2835 23 ST NE is of a multi building site but here is an area discrepancy in the Complainants chart. The table indicated an area of 64,356 sq ft. while the assessed area is 48,700 sq ft. as per an "Assessment Request for Information". The actual assessment using the ARFI reported area is \$109.00 per. sq ft. and this supports the assessment.

[12] The comparable at 3905 29 ST NE is accepted by the Respondent and used in the analysis supporting the assessment.

[13] Sales and equity information was submitted to support the assessment, with NE sales yielding an 89.02 per sq ft value.

Board's Reasons for Decision:

[14] The Board gave little weight to three of the four comparables of the Complainant and the fourth comparable supported the assessment. The Complainant did not provide any substantial evidence the assessment was in error.

[15] The Board reviewed the Complainants sales at 1616 Meridian Rd SE, 1939 Centre AV, and 2835, 23 ST NE and agrees with the Respondent that these sales were for multiple buildings which are different than single lot sales based on the Respondent position that their studies indicated the value are different in part due to the increased cost of construction. On this basis the first 3 comparables are not similar to the subject. There were other reasons to give the first three comparables little weight including:

- 1616 Meridian Rd SE is a heavy industrial use as shown in the Realnet report that discusses large cranes and other industrial features.
- The Centre AV property is shown through photos and commentary in the realnet report to be industrial and dissimilar to the subject.
- The third comparable at 2835, 23 ST NE had an error in the sq ft area of the buildings when corrected supported the assessment.

[16] The Board finds that the Complainant was unable to demonstrate that the assessment was in error.

[17] The assessment was supported by the comparables provided to the Board by the Respondent which were found to be reasonably similar to the subject and also indicate the assessment was accurate.

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. 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
032032906	2330 32 AVE	Warehouse	Single Tenant	Cost/sales	Comparables Improvement value