



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:

Calgary Industrial Properties Ltd., c/o Dundee Realty Management Corp., (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:	033036708
LOCATION ADDRESS:	4710 14 ST NE
FILE NUMBER:	70716
ASSESSMENT:	\$8,150,000

This complaint was heard on 8 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:

- M. Hartmann 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 comprised of two multi tenant industrial warehouses located in McCall. The assessable building areas are 44,911 sq. ft. and 28,920 sq. ft. and are situated on 4.04 acres. The land use designation is I-G, Industrial General. The buildings were constructed in 1974 and have a site coverage ratio of 41.45%. There is a slight variance in finish percentages between the two buildings, 30% and 27%. The subject property was assessed based on the direct sales comparison approach at an overall value of \$110.42 psf; the buildings were attributed rates of \$107.02 psf and \$115.71 psf respectively.

Issue:

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

Complainant's Requested Value: \$5,650,000

Board's Decision: The assessment is confirmed at \$8,150,000.

Position of the Parties:

Complainant's Position:

[4] The Complainant submitted three sales comparables of single tenant warehouses in support of his request (Exhibit C1 page 19). The sales occurred in January 2010 – July 2011. The warehouses were built in 1967 – 1978; have assessable building areas of 51,520 – 82,225 sq. ft.; parcel sizes of 2.59 – 5.08 acres; and site coverage ratios of 37.16% - 48.28%. The comparables were assessed with a quality rating of B to C-. The time adjusted sale price ("TASP") was \$63.38 - \$85.41 psf, an average of \$75.10 psf.

[5] In rebuttal, the Complainant included the sales documents of the Respondent's comparables for the Board's consideration. He drew the Board's attention to the area discrepancies between what was reported in RealNet and the Property Assessment Summary

Reports (Exhibit C2 pages 14 – 25).

[6] With the exception of 1616 Meridian Road NE, the Complainant's analysis consisted of single building warehouses in support of his request. The Complainant argued that an investor in the marketplace would consider the potential income generated based on the total square footage of a multi building site, and not base it on the individual characteristics of each building.

Respondent's Position:

[7] The Respondent submitted eight sales comparables of single and multi tenant warehouses to support the rates that were applied to each of the multi tenant warehouses on site (Exhibit R1 page 39). The first four sales comparables were in support of the \$107.02 psf rate applied to the 44,911 sq. ft. warehouse. The sales occurred in October 2009 – April 2011. The warehouses were built in 1970 – 1982; have assessable building areas of 36,954 – 59,573 sq. ft.; parcel sizes of 3.56 – 4.43 acres; site coverage ratios of 17.52% - 38.89%; and finish percentage of 3% - 37%. The time adjusted sale price ("TASP") was \$97.30 - \$187.69 psf, a median of \$125.72 psf.

[8] The remaining four sales were submitted to support the rate of \$115.71 psf that was applied to the second multi tenant warehouse of 28,920 sq. ft. The sales occurred in August 2009 – January 2012. The warehouses were built in 1970 – 1979; have assessable building areas of 25,344 – 36,954 sq. ft.; parcel sizes of 1.62 – 4.43 acres; site coverage ratios of 17.52% - 32.99%; and finish percentage of 5% - 37%. The time adjusted sale price ("TASP") was \$125.08 - \$187.69 psf, a median of \$132.16 psf.

[9] The Respondent also submitted seven equity comparables, comprised of three multi building, multi tenant warehouses, in support of the assessed rates (Exhibit R1 page 41). The warehouses were built in 1974 – 1978; have assessable building areas of 28,440 – 45,843 sq. ft.; parcel sizes of 4.08 – 6.41 acres; site coverage ratios of 32.20% - 45.19%; and finish percentage of 19% - 44%. The assessed rates were \$103.47 - \$123.47 psf.

[10] The Respondent argued that less weight should be attributed to the Complainant's sales comparable of 1616 Meridian Road NE as this is a special purpose property (it has cranes) and was assessed based on the cost approach to value, which distinguishes it from typical warehouses which are assessed based on the direct sales comparison approach. She also noted there is another building on site which was built in 1998 which was not included in the Complainant's analysis.

[11] The Respondent also argued that less weight should be attributed to the Complainant's sales comparables because they are single building sites, with the exception of 1616 Meridian Road NE. She submitted that taking the total aggregate square footage of a multi building site and comparing it to single building site does not take into the characteristics and physical condition in accordance with the legislation (section 289(2) of the Act). She argued that a (negative) multi building coefficient (which was not disclosed to the Board) is applied to a multi building site's assessment to reflect the fact that these sites are generally unable to be subdivided.

Legislative Authority:

Decisions of assessment review board

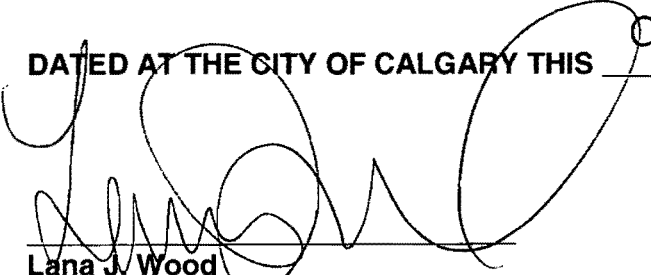
467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

- (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:

[12] The Board finds there was insufficient evidence to support a reduction in the subject property's assessment in this instance. The Board placed more weight on the market evidence submitted by the Respondent as it was a larger sample size, demonstrating a range of values in which the current assessment was supported and it was further endorsed by the Respondent's equity comparables. While the Board placed less weight on 1616 Meridian Road NE because it was distinguishable based on its physical attributes from the subject property, the Board was not persuaded by the Respondent's argument that it could not be considered because it was assessed based on a different valuation method (the cost approach as opposed to the direct sales comparison approach). Regardless of which approach to value is used, the end result should be market value. The Board notes the issue of comparing single building sites to multi building sites has been exhausted. There are multiple board decisions which have addressed this issue extensively. No further comment 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. C2	Complainant's Rebuttal
3. 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 Multi Tenant	Sales Approach	