



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:

***SOKIL Holdings Ltd. (as represented 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: 097016703

LOCATION ADDRESS: 5402 44 ST SE

FILE NUMBER: 71071

ASSESSMENT: \$10,060,000

This complaint was heard on 28 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:

- *J. Tran*

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

[1] There were no procedural issues in this case.

Property Description:

[2] The subject property is a two building warehouse complex with both buildings constructed in 1996 located in the Foothills industrial area. The main structure is a B quality warehouse of 53,250 square feet (sq. ft.) and the second is a B quality smaller warehouse of 5954 sq. ft. The assessment was conducted using the direct sales approach to valuation.

Issues:

[3] Issue 1 Does the sale comparables used by the City in the Direct Sales approach result in a correct assessment for the subject?

Complainant's Requested Value: \$7,870,000

Board's Decision: The assessment is confirmed at \$10,060,000

Board's Decision on issue 1: The sale comparables used the by the City in the Direct Sales approach to valuation resulted in a correct assessment for the subject.

Position of the Parties

Complainant's Position:

[4] The Complainant was of the opinion that the property was over assessed base upon the analysis of the sales available to them. Four sales comparables were presented to the Board all

similar in size of structure, year of construction, and building quality. The average time adjusted value of the comparables was \$133.18 per sq.ft. and this was the basis for the requested assessment.

Respondent's Position:

[5] The Respondent explained the method of assessing multi building warehouse sites. Each structure is assessed separately using similar sized comparables of each building. Single building sales of similar properties are used to value each building on the multi building property. A blended rate is then calculated and a downward adjustment is applied.

[6] A table of sales comparables was presented to the Board with 4 comparables similar to the larger building and three comparables similar to the smaller structure. The result of the analysis is a rate of \$170.00 per sq. ft. supporting the \$170.04 per sq. ft.

[7] The Respondent questioned several of the Complainants comparables. 4410 46 AV SE is less comparable as the site coverage of 55% would result in a lower sale price per sq. ft. The property at 6125 51 ST SE is a sale that was not arms length and may not have been exposed to the market. Finally all but one of the comparables lack the large land area as the subject.

[8] Through the discussion the Complainant's best comparable was at 3005 Ogden RD SE. Initially reported to be an A- building constructed in 2004 was actually shown to be mostly a C- built in 1960. This sale produced \$148.00 per sq. ft. This is not comparable to the subject which is a 1996 year of construction

Board's Reasons for Decision:

[9] The Board agrees with the Respondent that the sales presented by the Complainant are either not market sales or are not very similar to the subject. Little weight was given to the Complainant's comparables to differences in site coverage, age, quality and some had a lack of market exposure. The best remaining comparable at 6061 90 AV SE has a higher site coverage and approximately ½ the lot size of the subject. It is expected to be of lower value. The Complainant was unable to convince the Board the assessment was in error and therefore the assessment is confirmed.

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 |
|-------------|----------------|---------------------|--------------|---------------|-------------------------------------|
| 097016703 | 5402 44 ST SE | Warehouse Single | Cost/sales | | Comparables Improvement value |