

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:

Enders Management Ltd. (as represented by Assessment Advisory Group Inc. (AAG)),
COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

K. Thompson, Board Chair
J. Kerrison, MEMBER
Y. Nesry, 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: 048043400

LOCATION ADDRESS: 1726 25 Av NE

FILE NUMBER: 71086

ASSESSMENT: \$4,280,000

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

Appeared on behalf of the Complainant:

- D. Bowman Agent, Assessment Advisory Group Inc. (AAG)

Appeared on behalf of the Respondent:

- M. Hartman Assessor, City Of Calgary
- J. Tran Assessor, City Of Calgary

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

[1] No procedural or jurisdictional matters were raised. The Board proceeded to hear the merits of the complaint.

Property Description:

[2] The subject property is a single tenant C+ quality warehouse consisting of 43,012 square feet (sq. ft.), with 15% Finish, 52.96% Site Coverage and constructed in 1981. This property is located in South Airways, has 1.73 acres of land, with a Land Use Designation (LUD) of Industrial-General (IG). The subject property is assessed at \$99.66/ sq. ft. arrived at through the Sales Comparison Approach to Value and has an assessed value of \$4,280,000.

Issues:

[3] The 2013 assessment value is greater than the market value as of July 1, 2012 and is inequitable in relation to assessment values of similar properties. To better represent the market a rate of \$83/ sq. ft. should be used to determine the value.

Complainant's Requested Value: \$3,560, 000

Board's Decision:

[4] The Assessment is confirmed at the value of \$4,280,000

Legislative Authority, Requirements and Considerations:

[5] The Municipal Government Act, Section 460.1(2), subject to Section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in Section 460(5) that is shown on an assessment notice for property, other than property described in Subsection 460 (1)(a).

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

[6] The Complainant's position is that the subject property's assessed \$99.66/ sq. ft. is higher than the price per square foot of sales of comparable properties in this area.

[7] Two sales of quality C+ warehouses, in the north east area of the City, were provided as evidence to show that \$83/ sq. ft. is a better rate for the subject property (pg. 15, C-1). The two sales showed \$85.94 and \$80.18 as the time adjusted sale price/ sq. ft. The Complainant indicated that the property that sold for \$85/ sq. ft. was the best comparable as it was similar in building size, site coverage, year of construction, quality and finishing. RealNet and Assessment documents were provided on both sale properties.

[8] The Complainant included the 2013 assessed values for both sale properties and calculated an Assessment to Sale Ratio (ASR) for each of them. The Complainant stated that the resulting 1.13 and 1.32 ASR's are well over the typically acceptable range of .95 to 1.05. This, according to the Complainant shows that the assessments of the two sale properties are also over assessed. Assessments per sq. ft. of the two comparable sale properties were \$97.07 and \$105.90.

Respondent's Position:

[9] The Respondent provided evidence of six warehouse sales in the north east area of the city (two of which were also used by the Complainant) to show that the typical value/ sq. ft. used by the City were reasonable for the subject property.

[10] The Respondent stated for assessment purposes the task was to assess all similar properties at a similar value. This requires analysis of all the sales within the group of similar properties to arrive at a typical value/ sq. ft. and not just reflect one or two sale prices. Further the Respondent went on to say that the subject property's value should fall within the range of probable selling prices within that group and the subject property does fall within that range.

[11] The Respondent went through the six sales, indicating how the subject fit in within the components that were deemed contributing factors to the final value. Those components were Building Type, Parcel Size, Land Use Designation (LUD), Assessable Building Area, Year of Construction, Non-Residential Zone, percent of Finish, Site Coverage, and Excess/Additional Land. While two of the sales were multi tenanted building compared to the subject's single tenant building and one sale had a LUD of Industrial-Business (which is assessed the same as I-G in 2013), the subject fell within the range of the component of the six sales with the exception of site coverage, it was slightly above this range.

[12] The Respondent's time adjusted sale price/ sq. ft. ranged from \$80.12 to \$149.71 with a median of \$88.76/ sq. ft., the subject being assessed at \$99.66/ sq. ft. A time adjustment graph was provided to show the adjustments to the sale prices.

[13] Four equity comparables were also put into evidence by the Respondent, showing that the subject property was assessed the same as similar properties. The four equity properties showed a range of \$110.80 to \$122.80/ sq. ft compared to the subjects \$99/ sq. ft (the subject being lower because of the higher site coverage of 52.96%).

Board's Reasons for Decision:

[14] The Board reviewed all the comparable sales and property information evidence provided by both the Complainant and Respondent. Upon review of all the comparable sales, the Board paid particular attention to the two properties deemed most comparable to the subject, one each indicated by the Complainant and Respondent

[15] The Board concluded that a great deal of the sale evidence relied upon the time adjusted sale price being correct, however there was nothing in the Complainant's evidence to indicate how the time adjustments were arrived at, except by way of the Complainant's explanation that the price increase over time. The Complainant stated that sales were reviewed and a factor was developed to quantify the time adjustment. The Respondent provided time adjustment information in the evidence package but didn't speak to it.


[16] Little evidence was presented by either party on the difference in value attributed to factors such as multi vs. single tenanted warehouses, site coverage, location of sales in different industrial parks and percent of finish on the sale property improvements when compared to the subject improvement.

[17] The Board doesn't accept that the value of the subject should be adjusted based solely on two sales especially when the Respondent produced four other sale properties that indicate the subject property is within their range of value.

[18] The Board gave consideration to the equity comparables produced by the Respondent which showed the subject property's rate/ sq. ft. was at the low end of the range of values of similar properties.

[19] The Board found the Complainant did not provide sufficient evidence to warrant changing the assessed value.

DATED AT THE CITY OF CALGARY THIS 6 DAY OF September 2013.



K. Thompson

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.*

Property Type	Property Sub-Type	Issue	Sub issue
warehouse	Single Tenant	Market value too high	Inequitable to similar properties