



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:

***BIKM Holdings Ltd. (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:	054007406
LOCATION ADDRESS:	610 MORaine RD NE
FILE NUMBER:	71556
ASSESSMENT:	\$2,260,000

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 a single tenant industrial warehouse located in Meridian Park. The assessable building area is 12,872 sq. ft. and it is situated on 1.1 acres. The land use designation is I-G, Industrial General. The building was constructed in 1965; has a finish percentage of 24% and a site coverage ratio of 26.93%. It was assessed with a C- quality rating. The subject property was valued based on the direct sales comparison approach at \$175.97 psf.

Issue:

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

Complainant's Requested Value: \$1,360,000

Board's Decision: The assessment is revised to \$1,620,000.

Position of the Parties:

Complainant's Position:

[4] The Complainant submitted three sales comparables of single and multi tenant warehouses, including the sale of the subject property, in support of his request (Exhibit C1 page 19). The sales occurred in June 2011 – June 2012. The warehouses were built in 1965 – 1979; have assessable building areas of 12,786 – 19,200 sq. ft.; parcel sizes of 0.80 – 1.10 acres; and site coverage ratios of 26.68% - 42.79%. The sales comparables were assessed with a similar quality rating as the subject property of C to C-. The time adjusted sale price ("TASP") was \$80.62 - \$126.80 psf, an average of \$105.60 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 sale of 220 19

ST SE which sold for \$282 psf (unadjusted). He argued that this sale is an outlier because it falls under the City of Calgary Airport Phase 1 Design Brief Policy Report and has a land use designation of I-2, General Light Industrial (Exhibit C2 pages 21 & 22; Exhibit R1 page 26).

Respondent's Position:

[6] The Respondent submitted six sales comparables of single and multi tenant warehouses in support of the subject property's current assessment (Exhibit R1 page 26). The sales occurred in September 2009 – June 2012. The warehouses were built in 1963 – 1979; have assessable building areas of 10,641 – 19,129 sq. ft.; parcel sizes of 0.43 – 1.03 acres; site coverage ratios of 27.01% - 53.85%; and finish percentage of 14% - 60%. The time adjusted sale price ("TASP") was \$80.62 - \$281.93 psf, a median of \$123.38 psf. In cross examination, the Respondent acknowledged that the sale of the subject property was a valid, arm's length transaction; however, she had purposively left it out of her analysis to demonstrate how comparables in the NE quadrant have transacted in the marketplace.

[7] The Respondent submitted seven equity comparables of single and multi tenant warehouses in support of the subject property's assessment (Exhibit R1 page 28). The warehouses were built in 1969 – 1980; have assessable building areas of 11,520 – 12,901 sq. ft.; parcel sizes of 0.9 – 2.13 acres; site coverage ratios of 21.34% - 29.89%; and finish percentage of 9% - 48%. The assessed rates were \$162.13 - \$191.10 psf.

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

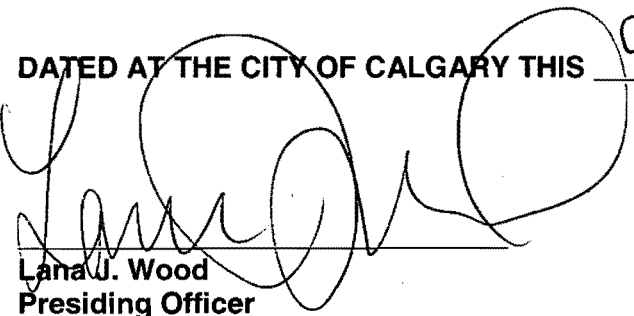
- (a) the valuation and other standards set out in the regulations,
- (b) the procedures set out in the regulations, and
- (c) the assessments of similar property or businesses in the same municipality.

Board's Reasons for Decision:

[8] The Board finds the sale of the subject property is the best indication of market value. As stated by both parties, this was a valid, arm's length transaction. It was also used in the Respondent's analysis of Non Residential Industrial Sales, July 2009 – June 2012 (Exhibit C1 page 16). The subject property sold in June 2011 for \$1,500,000. The Respondent had time adjusted that sale to \$1,621,210, which was utilized in the Complainant's analysis as well. The Board accepts the time adjusted sale price of the subject property and has truncated that value to \$1,620,000. In addition, the Board finds the range of sales used in the Respondent's analysis

was so broad (\$80 - \$282 psf) that it brought into question comparability, and the median of \$123 psf did not support the assessed rate of \$176 psf that was applied to the subject property's assessment.

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 Single Tenant	Sales Approach	