



**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:**

**H Business Park (G&H) GP INC. (as represented by Linnell Taylor Assessment Strategies), COMPLAINANT**

**and**

**The City Of Calgary, RESPONDENT**

**before:**

**R. Fegan, PRESIDING OFFICER**

**M. Grace, BOARD MEMBER**

**J. Pratt, 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:

<b>ROLL NUMBER:</b>	<b>200212272</b>
<b>LOCATION ADDRESS:</b>	<b>2765 48 AV NE</b>
<b>FILE NUMBER:</b>	<b>71576</b>
<b>ASSESSMENT:</b>	<b>12,670,000</b>

This complaint was heard on 18th day of June, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- J. Mayer

Appeared on behalf of the Respondent:

- M. Hartmann

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

- [1] No procedural or jurisdictional matters were raised.

**Property Description:**

- [2] The subject property is a 98,413 square foot multi-bay industrial warehouse, built in 2006. The building is situated on 4.37 acres of land and is zoned I-G.

**Issues:**

- [3] The only issue raised by the complainant is the market value of the subject property.

**Complainant's Requested Value: \$11,049,550.**

**Board's Decision:**

- [4] The complainant is allowed in part and the assessment is set at \$12,184,000.

**Position of the Parties:**

**Complainant's Position:**

[5] The complainant argued that the best evidence of the market value of the subject property is the sale price. The subject property and three other similar buildings sold in a portfolio transaction on July 06, 2011.

[6] The complainant argued that no time adjustment was necessary and there was insufficient sales data of similar buildings to quantify such an adjustment. The complainant did provide a rental analysis which indicated an annual market increase of 2.6% based on changes in the leasing market.

**Respondent's Position:**

[7] It was the respondent's position that the assessment of the subject property had been calculated using multiple regression analysis which recognized variables within the subject property. The analysis used variables such as land size, building size, building age, percentage of finish, site coverage, zoning, and building type (single or multi-tenant). The respondent

argued that this was a better approach than simply using the sale price to arrive at the assessed value.

[8] The respondent had calculated a time adjustment using multiple regression analysis. The respondent also provided a list of comparable sales indicating an average sale price of \$142.41 per square foot, however this list included one sale that was significantly higher than the others. It was confirmed that the sale of 2200 41 AV NE was impacted by approximately 48,000 square feet of refrigerated warehousing.

**Board's Reason for Decision:**

[9] The Board found that the sale price was a strong indicator of the market value of the subject property as of July 2011, however the Board did not accept the complainant's argument that there had been no change in the real estate market between July 2011 and July 2012. It is clear that the legislation contemplated potential changes in the real estate market and that is the reason for the statutory requirement to prepare assessments annually.

[10] The Board found that the complainant's rental analysis did not adequately bracket the time frame for which a time adjustment was required. The most recent lease in the analysis was dated February 01, 2012, some 5 months prior to the effective date.

[11] The respondent had calculated a time adjustment using multiple regression analysis and while very little detail was provided regarding the data used in the analysis the Board found this approach to be preferable to the complainant's analysis.

[12] With respect to the list of comparable sales provided by the respondent, it was confirmed that the sale of 2200 41 AV NE was impacted by approximately 48,000 square feet of refrigerated warehousing. When this sale was removed from the sample the average sale price per square foot dropped to \$115.72.

[13] The complainant presented a number of previous CARB decisions as well as a Court of Queen's Bench decision in support of his position that the sale price is the best indicator of market value. The Board noted that in the case of 2005 ABQB 512, the sale used in that case occurred only 18 days after the effective date of the assessment. In this case the sale of the subject property took place twelve months prior to the effective date for assessment purposes.

[14] The Board found that the time adjusted sale price of the subject is the best indicator of the market value of the subject property.

DATED AT THE CITY OF CALGARY THIS 17<sup>th</sup> DAY OF July 2013.

  
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R. Fegan  
Presiding Officer

**APPENDIX "A"****DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. R2	Respondent Disclosure
3. C3	Complainant Rebuttal

*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.*