



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 (A&B) 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:

ROLL NUMBER:	013024003
LOCATION ADDRESS:	4300 26 AV NE
FILE NUMBER:	71579
ASSESSMENT:	12,280,000

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 (Linnell Taylor Assessment Strategies)

Appeared on behalf of the Respondent:

- M. Hartmann (City of Calgary)

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 110,944 square foot multi-bay industrial warehouse, built in 2000. The building is situated on 5.17 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: \$12,160,000.

Board's Decision:

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

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.

- [7] 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.

Respondent's Position:

- [8] 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.

[9] The respondent also provided a list of comparable sales including the sale of the subject indicating an average sale price of \$133.59 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 and was not sufficiently similar to the subject property.

Board's Reasons for Decision:

[10] 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 changes in the real estate market and that is the reason for the statutory requirement to prepare assessments annually.

[11] 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, where as in this case the sale of the subject took place twelve months prior to the effective date.

[12] 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

[13] The Board found that in this case, the time adjusted sale price of the subject is the best indicator of the market value of the subject property. The Board found that the time adjustment analysis of the respondent was based on sales rather than rent and it did cover the time frame for which a time adjustment was required.

DATED AT THE CITY OF CALGARY THIS 17th DAY OF July 2013.



R. Fegan
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	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.*