



## **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:**

***SREIT (West No. 1) Ltd. (as represented by Colliers International Realty Advisors),  
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: 054014303**

**LOCATION ADDRESS: 3200 14 AV NE**

**FILE NUMBER: 71637**

**ASSESSMENT: \$8,170,000**

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:

- *G. Foty*

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

- [1] There were no procedural issues.

**Property Description:**

- [2] The subject property is located in the Franklin Industrial Park and contains 2 multi bay warehouse structures situated on 3.7 acres of land. The structures are 42,965 square feet (sq. ft.) and 41,658 (sq ft) of C+ quality, constructed in 1980. The assessment was prepared using the Direct Sales Method.

**Issues:**

- [3] Issue 1; has the Direct Sales method used by the City Assessment Unit and applied to the subject property developed an accurate market value?

**Complainant's Requested Value: \$6,230,000**

**Board's Decision:** The assessment on the subject property is confirmed at \$8,170,000

**Board's Decision on Issue 1**

- [4] The Direct Sales Method used by the City Assessment Unit and applied to the subject property has developed an accurate market value

**Position of the Parties**

**Complainant's Position:**

[5] The Complainant introduced four sales comparables that were understood to be similar to the subject property. The sale comparables were similar in the size of the structures, land area, site coverage and building quality. Time adjusted sales rates were reported between \$63.38 per sq. ft. and \$90.08 per sq. ft. and had an average value of \$75.59 per sq. ft. The complainant rounded the value to \$76.00 per sq. ft. and this acted as the basis for the requested assessment.

**Respondent's Position:**

[6] The Respondent firstly addressed the Complainants sales comparables then discussed the sales comparables used to develop the assessment.

[7] The Respondent then went on to discuss the applicability of the sales comparables suggesting that none of the 4 sales can be considered in evaluating the subject property.

[8] Comparable 1 from the Complainant's table is 1616 Meridian Rd NE. In the opinion of the Respondent this property is not similar to the subject because it is the sale of multi buildings and the entire site functioning as a specialty industrial complex. In order to illustrate the special nature of the structure the Respondent indicated that the assessment on this structure was conducted using the Cost Approach as is the practice for structures of special nature.

[9] 1939 Centre AV, comparable 2, is also not a typical industrial site again assessed using the cost approach. In addition the comparable is also located on three lots. It was also noted the sale was not brokered.

[10] In terms of the 3rd comparable at 2835 23 ST NE there is an area discrepancy in the Complainants chart. The table indicated an area of 64,356 sq ft. while the assessed area is 48,700 sq ft. The actual assessment using the revised area is \$109.00 per sq ft supporting the assessment.

[11] The comparable at 3905 29 ST NE is a single building sale and not considered similar to the subject.

[12] Sales and equity information was submitted to support the assessment, with NE sales yielding an \$89.02 per sq. ft. value.

**Board's Reasons for Decision:**

[13] The Board gave little weight to three of the four comparables of the Complainant and the fourth comparable supported the assessment. The Complainant did not provide any substantial evidence that the assessment was in error.

[14] The Board reviewed the Complainants sales at 1616 Meridian Rd NE, 1939 Centre AV, and 2835, 23 ST NE and at 3905 29 ST NE and agrees with the Respondent that these sales are not similar to the subject. The reasons to give the 4 comparables little weight included:

- 1616 Meridian Rd NE is a heavy industrial use with large cranes and other industrial features. The construction is from 1967 and 1998
- The Centre AV SE property is shown through photos and commentary in the Realnet report to be a specialized complex and dissimilar to the subject.
- The third comparable at 2835 23 ST NE had an error in the sq. ft. area of the buildings

when the area is corrected the assessment is supported.

- The comparable at 3905 29 ST NE is a single building sale and the Board agrees that there is a difference in the market for single versus multiple building sales.

The Board finds that the Complainant was unable to demonstrate that the assessment was in error.

The assessment was supported by the comparables provided to the Board by the Respondent which were found to be reasonably similar to the subject and also indicate the assessment was accurate.

DATED AT THE CITY OF CALGARY THIS 8<sup>th</sup> DAY OF October 2013.



Tom Golden

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. 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.*

<b>Roll</b>	<b>Address</b>	<b>Subject</b>	<b>Issue</b>	<b>Detail</b>	<b>Sub Detail</b>
054014303	3200 14 AV NE	Warehouse	Multi building	Cost/sales	Comparables Improvement value