



## **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:**

***PENSIONFUND REALTY LIMITED***  
***(as represented by AEC Property Tax Solutions), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***Earl K. Williams, PRESIDING OFFICER***  
***A. Huskinson, MEMBER***  
***A. Zindler, 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: 097017909**

**LOCATION ADDRESS: 5249 52 ST SE**

**FILE NUMBER: 72173**

**ASSESSMENT: \$53,970,000**

This complaint was heard on 23<sup>rd</sup> day of September, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- C. Hall Agent, AEC Property Tax Solutions

Appeared on behalf of the Respondent:

- E. Wu Assessor, The City of Calgary
- I. McDermott Assessor, The City of Calgary
- T. Luchak Assessor, The City of Calgary (Observing)

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

- [1] No Procedural or Jurisdictional Matters were raised by the parties.

**Property Description:**

[2] The subject property at 5249 52 St SE is a 618,460 square foot (sq. ft.) 4 building warehouse on 23.62 acres of land with a 1998 approximate year of construction (AYOC), with an IWM (Industrial warehouse 3 or more units) building type classification and an Industrial General (I-G) Land Use in the Foothills Industrial region. The assessable area of each of the 4 buildings is 221,110 sq. ft., 158,796 sq. ft., 163,554 sq. ft. and 75,000 sq. ft.

[3] The assessment was prepared on the Sales Comparison Approach at \$87.27 per square foot (psf).

**Issues:**

[4] Should the subject property be assessed on the Sales Comparison Approach with the assessed rate reduced from \$87.27 psf to \$75.97 psf?

**Complainant's Requested Value: \$46,980,000**

**Board's Decision:**

[5] Based on the evidence and argument presented the Board confirms \$87.27 psf in the determination of the assessment:

[6] The assessment is confirmed at \$53,970,000.

### Position of the Parties

[7] The Complainant and Respondent presented a range of evidence consisting of relevant and less relevant evidence. In the interests of brevity, the Board will restrict its comments to those items the Board found relevant to the matters at hand. Furthermore, the Board's findings and decision reflect on the evidence presented and examined by the parties before the Board at the time of the hearing.

[8] The Complainant's evidence package included a Summary of Testimonial Evidence, photographs of the exterior of the subject property, the City of Calgary 2013 Property Assessment Notice, and the Property Assessment Detail Report amongst others. In support of the requested price per square foot the Complainant submitted tables providing details on a comparable property and sales.

[9] The Respondent's evidence package included a Summary of Testimonial Evidence, the City of Calgary 2013 Property Assessment Notice, the City of Calgary 2013 Industrial Assessment Explanation Supplement, photographs of the exterior of the subject property, excerpts from applicable legislation, excerpts of technical information, as well as a Board decisions in support of their position. In support of the sale price per square foot the evidence included tables of sales and equity comparables.

### Complainant's Position:

[10] The Complainant reviewed details of 5353 50 St SE which is adjacent to the subject at 5249 52 St SE and is considered an equity comparable. The profile of the subject and the comparable are presented in the table on page 10 of Exhibit C1, a photo of the two properties on page 11 of Exhibit C1 and the Property Assessment Detail Report for 5353 50 St SE on page A-5 of the Appendix Exhibit C1. The following table presents details of the two properties:

	5249 52 St SE (Subject)	5353 50 St SE
<b>Number of Buildings</b>	4	2
<b>Type</b>	IWM	IWM
<b>Land Use</b>	I-G	I-G
<b>Total Area (sq. ft.)</b>	618,460	387,963
<b>Land Area (acres)</b>	23.62	15.30
<b>Site Coverage (percentage)</b>	60.1%	58.2%
<b>AYOC</b>	1998	1995
<b>Percentage Finished</b>	2;3;3;14%	3;4%
<b>Assessment psf</b>	\$87.27	\$75.97

Based on the profiles the two properties which are very similar on 6 of 8 factors; type, location, YOC, land size, site coverage, and percentage finished. The difference in area is due to by the subject having 4 buildings than the comparable. The Complainant argued the assessment of the subject should be the same as the comparable \$75.97 psf.

[11] The Complainant reviewed details of 5 industrial sales comparables presented in the table on page 13 of Exhibit C1. The following table shows the subject compared to the range for the comparables on a number of parameters:

	<b>5249 52 St SE (Subject)</b>	<b>Comparables</b>
<b>Quadrant</b>	SE	3 in NE and 2 in SE
<b>Number of Buildings</b>	4	4 with 1 and 1 with 2
<b>Building Type</b>	IWM	4 - IWM and 1 - IWS
<b>Land Use</b>	I-G	4 I-G and 1 DC
<b>Total Building Area (sq. ft.)</b>	618,460	110,464 to 302,135
<b>Land Area (acres)</b>	23.62	5.39 to 15.84
<b>Site Coverage (percentage)</b>	60.11%	42% to 47%
<b>AYOC</b>	1998	1997-2009
<b>Percentage Finished</b>	2;3;3;14%	0% to 39%
<b>Transaction Date</b>	n/a	July 22, 2009 to July 01, 2011
<b>Time Adjusted Sale Price Range psf</b>	n/a	\$90.12 to \$142.31
<b>Time Adjusted Sale Price Range psf</b>		Median \$120.41
<b>2013 Assessment Range psf</b>	n/a	\$88.34 to \$125.53
<b>2013 Assessment psf</b>	\$87.27	Median \$119.84

[12] The Complainant identified 4100 Westwinds Dr NE as the best sales comparable to the subject property. The following table presents details on the profile of the two properties:

	<b>5249 52 St SE (Subject)</b>	<b>4100 Westwinds Dr NE</b>
<b>Quadrant</b>	SE	NE
<b>Number of Buildings</b>	4	1
<b>Type</b>	IWM	IWS
<b>Land Use</b>	I-G	DC
<b>Total Area (sq. ft.)</b>	618,460	302,135
<b>Land Area (acres)</b>	23.62	15.84
<b>Site Coverage (percentage)</b>	60.1%	44.0%
<b>AYOC</b>	1998	2000
<b>Percentage Finished</b>	2;3;3;14%	3%
<b>Assessment psf</b>	\$87.27	\$88.34

[13] In summary the Complainant argued the equity comparable presented in paragraph [10], which is classified IMW the same as the subject and immediately adjacent to the subject property is support for the requested \$75.97 psf rate.

**Respondent's Position:**

[14] The 2013 Assessment Explanation Supplement (page 10 of Exhibit R1) lists 4 buildings with areas of 75,000 sq. ft. 158,796 sq. ft., 163,554 sq. ft. and 221,110 sq. ft. The Respondent argued that the selection and analysis of comparables must consider the profile of each building on the land and not just the total area of all the buildings or that the comparables are the same building type IWM.

[15] The Respondent presented on page 19 of Exhibit R1 details on 2 sales comparables with transaction dates of July 22, 2009 for an IWM property with 2 buildings and March 31, 2011 for an IWS property with 3 buildings. The median Time Adjusted Sale Price (TASP) was \$129.40 psf.

[16] The Respondent presented on pages 20-23 an analysis of equity comparables based on the building area of each of the subject property's 4 buildings. The analysis of the comparables was based on the area of each building and not the total area of all of the buildings. The comparables used for the building by building analysis are all IWM building type, in the SE quadrant with a land use of I-G.

[17] The building by building analysis is as follows:

- 1) 75,000 sq. ft. – the table on page 23 of Exhibit R1 presented the profile of 4 comparables, the assessment rate psf ranged from \$89.83 to \$121.48 psf with a median of \$107.08 psf compared to the subject building's rate of \$98.79 psf.
- 2) 158,796 sq. ft. - the table on page 21 presented the profile of 3 comparables with an assessment rate psf ranging from \$82.68 to \$98.83 psf with a median of \$92.55 psf compared to the subject building's rate of \$88.12 psf.
- 3) 163,554 sq. ft. - the table on page 21 presented the profile of 3 comparables with an assessment rate psf ranging from \$82.68 to \$98.83 psf with a median of \$92.55 psf compared to the subject building's rate of \$87.65 psf.
- 4) 221,110 sq. ft. - the table on page 22 of Exhibit R1 presented the profile of 4 comparables with an assessment rate psf ranging from \$76.82 to \$93.47 psf with a median of \$84.18 psf compared to the subject building rate of \$82.48.

[18] The Respondent argued that the equity analysis presented in paragraph [17] supports the assessment rate for each building and the mean of \$87.27 psf.

**Board's Reasons for Decision:**

[19] The Respondent and Complainant presented sale and equity comparables in support of their respective positions. Both parties argued that the equity comparables provide the strongest support for their respective positions.

[20] The Board reviewed the sales comparables for both parties and determined:

- 1) Complainant best comparable, paragraph [12], was an IWS property of 1 building in the NE quadrant, on a smaller site with a lower site coverage and different land use than the subject property.
- 2) Respondent presented 2 transactions which reported land areas, building areas, site coverage, finish percentage that are smaller than the subject and AYOC's of 2009/2008 compared to the subject's AYOC of 1998.

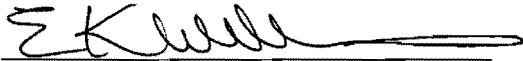
[21] In summary the sale comparables were inadequate comparables to be utilized to reach a decision on the assessment rate. Comparisons must be among properties of the same property type; comparing an IWS to an IWM is not a meaningful comparison.

[22] The Board reviewed the IWM equity comparables presented by the parties and determined:

- 1) The Complainant presented a single equity comparable, paragraph [10], which is adjacent to the subject property and is similar to the subject on a number of factors. A review of the property Assessment Summary Report for the comparable (page A5 of the Appendix of Exhibit C1) determined that a market adjustment was applied in the determination of the assessment for the comparable; however, no details were provided to clarify the type or amount of the adjustment.
- 2) The Respondent argued that comparables must reflect the profile of the subject property which is an IWM comprised of 4 buildings, each with a different building area. On that basis the Respondent presented equity comparables for each of the 4 buildings. The analysis presented in paragraph [16] provided support for the assessed rate for each of the 4 building.

[23] Based on the evidence and arguments presented the Board confirms the assessment psf rate.

DATED AT THE CITY OF CALGARY THIS 27 DAY OF November 2013.



Earl K. Williams  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure Subject Property 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.*

**FOR ADMINISTRATIVE USE**

<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Warehouse	Multi-Tenant	Sales Approach	Equity Comparables