



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:

1314287 ONTARIO INC.
(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: 098012818

LOCATION ADDRESS: 2600 61 AV SE

FILE NUMBER: 72174

ASSESSMENT: \$42,660,000

This complaint was heard on 23rd 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

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 2600 61 AV SE is a 407,872 square foot (sq. ft.) 3 building warehouse on 26.1 acres of land with a 1998 approximate year of construction (AYOC). Two of the buildings are IWM building types (Industrial warehouse 3 or more units) and 1 building is a IWS (Industrial warehouse 2 or less units) building type classification located on and land zone classification Industrial General (I-G) Land Use in the Ogden Industrial region. The assessable area of each of the 3 buildings measured 183,190 sq. ft., 181,474 sq. ft. and 43,208 sq. ft.

[3] The assessment was prepared on the Sales Comparison Approach with a weighted average assessed rate of \$104.59 per square foot (psf).

Issues:

[4] Should the subject property be assessed on the Sales Comparison Approach with the assessed rate reduced from \$104.59 psf to \$86.99 rounded to \$87.00 psf?

Complainant's Requested Value: \$35,480,000

Board's Decision:

[5] Based on the evidence and argument presented the Board confirms the assessed rate of \$104.59 psf in the determination of the assessment:

[6] The assessment is confirmed at \$42,660,000.

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, a map identifying the location of the property, photographs of the exterior of the subject property, the City of Calgary 2013 Property Assessment Notice, and the Property Assessment Detail Report. In support of the requested assessed rate the Complainant submitted tables providing details on sales and equity comparables including supporting exterior photographs of selected comparables.

[9] The Respondent's evidence package included a Summary of Testimonial Evidence, 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 decision in support of their position. In support of the assessed rate the Respondent provided an analysis of equity comparables for each of the assessment areas of the subject property.

Complainant's Position:

[10] The Complainant reviewed pages 5 to 13 of Exhibit C-1 in support of the position that the determination of the assessment for the subject property must consider:

- 1) the shape of the subject property creates a challenge for the effective use of the site, and
- 2) of the 3 buildings which have a total are of 407,872 sq. ft. one of the buildings is a smaller building of 43,208 sq. ft.

[11] The Complainant argued that sale comparables in recent years are not available that recognize the profile of the subject so the argument focused on the details of 11 equity comparables presented in the table on page 14 of Exhibit C-1. The median 2013 assessment of the sample is \$87.00 psf.

[12] Two of the 11 comparables were identified as the best comparables to the subject property. The following table presents details of the subject and these two properties:

| | 2600 61 Av SE (Subject) | 11133 40 St SE | 7139 44 St SE |
|-----------------------------------|-------------------------|----------------|---------------|
| Number of Buildings | 3 | 2 | 2 |
| Type | 2 -IWM and 1 IWS | IWM | IWM |
| Total Area (sq. ft.) | 407,872 | 499,162 | 296,681 |
| Land Area (acres) | 26.1 | 23.4 | 11.5 |
| Site Coverage (percentage) | 36% | 49% | 59% |
| AYOC | 1998 | 2007 | 1998 |
| Percentage Finished | 55;6;48% | 10% | 5% |
| Assessment psf | \$105 | \$87 | \$86 |

Based on the profiles of the best two comparables the Complainant argued the assessment of the subject should be the same as the comparables at \$87.00 psf.

[13] The Complainant identified the property at 5550 22 St SE as a comparable to the subject as this comparable has the same challenge to make effective use of the shape of the site, as

shown on the layout map on page 18 of Exhibit C1, as the subject property. In addition to the challenge of the site the two properties are similar in respect of land size (26.1 acres versus 26.7 acres), site coverage (36% versus 34%) and total net rentable area (407,872 sq. ft. versus 404,145 sq. ft.). The comparable was assessed at \$97 psf whereas the subject was assessed at \$104.59 psf.

[14] In summary the Complainant argued the study of 11 equity comparables, the 2 best comparables presented in paragraph [12] and a property with the same shape and site use challenge as the subject property all support the requested \$87 psf rate.

Respondent's Position:

[15] The 2013 Assessment Explanation Supplement (page 10 Exhibit R1) identifies 3 buildings measuring 183,190 sq. ft., 181,474 sq. ft., and 43,208 sq. ft. with assessed rates of \$103.05, \$103.25 and \$116.77 psf. The Respondent argued that the selection and analysis of comparables must consider the profile of each building on the land.

[16] The Respondent presented on pages 22-23 an analysis of equity comparables based on the building area of each of the subject property's 3 buildings.

- 1) 181,474 and 183,190 sq. ft.: the table on page 22 of Exhibit R1 presented the profile of 3 comparables, the assessment rate psf ranged from \$93.61psf to \$110.06 psf with a median of \$105.16 psf as compared to \$103.05 psf and \$130.25 psf for the two subject buildings
- 2) 43,208 sq. ft.: the table on page 23 presented the profile of 4 comparables with an assessment rate psf ranging from \$94.06 to \$137.68 psf with a median of \$126.06 psf as compared to \$116.77 psf for the subject building.

[17] The Respondent argued that the equity analysis supports the assessment rate for each building and weighted average assessed rate of \$104.59 psf.

Board's Reasons for Decision:

[18] 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 positions.

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

- 1) The Complainant's equity argument was based on the aggregate footprint of all the buildings for each comparable property type IWM and IWS in the analysis rather than on a building by building comparison based on the footprint of each building. The analysis of the comparables presented in paragraph [12] argued for the requested assessment rate.
- 2) The Respondent argued that comparables must recognize the profile of the subject property which is comprised of 3 buildings, 2 IWM buildings and 1 IWS building, each with a different building area. On that basis the Respondent presented equity comparables for each of the 3 buildings. The analysis presented in paragraph [16] provided support for the assessed rate for each of the 3 buildings.

[20] The Complainant also argued that the irregular shape of the subject must be considered in the assessment and presented one comparable. No evidence was presented by the Complainant that the subject or the comparable has been identified as requiring an influence adjustment for shape.

[21] Based on the evidence and arguments presented the Board confirms the assessment psf rate of \$104.59 psf.

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:**

| NO. | ITEM |
|------------|---|
| 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

| Appeal Type | Property Type | Property Sub-Type | Issue | Sub-Issue |
|--------------------|----------------------|--------------------------|----------------|--------------------|
| CARB | Warehouse | Multi-Tenant | Sales Approach | Equity Comparables |