



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 REALITY 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: 117007906

LOCATION ADDRESS: 5498 76 AV SE

FILE NUMBER: 72199

ASSESSMENT: \$16,520,000

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 5498 76 AV SE is a 159,686 square foot (sq. ft.) warehouse building on 7.76 acres of land with a 1998 year of construction (AYOC), classified as IWM (Industrial warehouse 3 or more units) building type and an Industrial General (I-G) Land Use.

[3] The assessment was prepared on the Sales Comparison Approach with an assessed rate of \$103.45 per square foot (psf).

Issues:

[4] Should the subject property be assessed on the Sales Comparison Approach with the assessed rate reduced from \$103.45 psf to \$93.00 psf?

Complainant's Requested Value: \$14,850,000

Board's Decision:

[5] Based on the evidence and argument presented the Board supports a reduction in the assessment rate to \$96.00 psf in the determination of the assessment:

[6] The assessment is reduced to \$15,320,000.

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 Industrial Assessment Detail Report. In support of the requested assessed rate the Complainant submitted a table providing details on equity comparables including as supporting documentation exterior photographs and the Property Assessment Summary 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 and supporting decisions. In support of the assessed rate the Respondent provided an analysis of sales and equity comparables.

Complainant's Position:

[10] The Complainant presented on page 8 of Exhibit C1 details on four industrial equity comparables in the SE quadrant. The following table presents the subject compared to the range for the comparables on a number of parameters.

	5498 76 AV SE (Subject)	Comparables
Number of Buildings	1	3 with 1; 1 with 2
Building Type	IWM	2 IWM; 2 IWS*
Total Building Area (sq. ft.)	159,686	142,382 to 197,694
Land Area (acres)	7.76	5.98 to 8.37
Site Coverage (percentage)	47.21	42-55
AYOC	1998	1995-1999
Percentage Finished	16	0 - 6
Assessment Range psf	n/a	\$83 - \$96
Assessment psf	\$103.45	Median \$93

Note * IWS Industrial Warehouse with 2 or less units

[11] The Complainant identified based on the net rentable area the comparable located at 6210 44 ST SE as the best comparable of the four. The following table presents details of the subject and this property:

	5498 76 AV SE (Subject)	6210 44 ST SE
Number of Buildings	1	1
Type	IWM	IWS
Total Area (sq. ft.)	159,686	146,780
Land Area (acres)	7.76	5.98
Site Coverage (percentage)	47%	55%
AYOC	1998	1995
Percentage Finished	16%	6%
Assessment psf	\$103.4500	\$83.00

[12] In summary, based on the strength of the four comparables referenced in paragraph [10], the determination of the assessed value should be based on the median of \$93.00 psf.

Respondent's Position:

[13] The Respondent presented (page 15 of Exhibit R1) 3 industrial sales comparables with assessable building area in the range of 118,402 to 302,135 sq. ft.; lot size of 6.40 acres to 15.84 acres with transaction dates in the period August 18, 2009 to March 2, 2011. The median Time Adjusted Sale Price (TASP) was \$120.51 psf. The sample included two properties from the NE quadrant and one property from the SE quadrant, and AYOC dates of 1997, 2000 and 2008.

[14] As further support the Respondent presented on (page 17 of Exhibit R1) an analysis of four equity comparables all in the SE quadrant. The following table presented the subject compared to the range for the comparables on a number of parameters.

	5498 76 AV SE (Subject)	Comparables
Number of Buildings	1	1
Building Type	IWM	2 IWM;2 IMS
Land Use	I-G	I-G
Total Building Area (sq. ft.)	159,686	139,193 – 168,964
Land Area (acres)	7.76	6.27 – 7.56
Site Coverage (percentage)	47.21	43.31 – 60.05
AYOC	1998	2007 – 2008
Percentage Finished	16	0 - 49
Assessment Range psf	n/a	\$93.49 – \$125.54
Assessment psf	\$103.45	Median \$112.96

[15] The Respondent argued that the analysis of sales and equity comparables supports the assessment rate of \$103.45 psf.

Board's Reasons for Decision:

[16] Because of the wide variance within the Respondent's sample of sale comparables the Board focused attention on the equity comparables provided by the two parties.

[17] As presented in the following table the Complainant's and Respondent's equity samples are similar. Further clarification as to which variables were most significant in the industrial market model would have been helpful.

	5498 76 AV SE	Complainant's	Respondent's
Total Building Area (sq. ft.)	159,686	142,382 – 197,694	139,193 – 168,964
Building Type	IWM	2 IWM;2 IWS	2 IWM;2 IMS
Land Area (acres)	7.76	5.98 – 8.37	6.27 – 7.56
Site Coverage (percentage)	47.21	42 – 55	43.31 – 60.05
AYOC	1998	1995-1999	2007 – 2008
Percentage Finished	16	0 - 6	0 - 49
Assessment Range psf	n/a	\$83 – \$96	\$93.49 – \$125.54
Assessment Median psf	n/a	\$93.00	\$112.96

[18] Following a review of the particulars of both parties comparables the Board prepared a single table combining all eight.

Municipal Address	Assessment psf
6210 44 ST SE	\$83.00
5820 48 ST SE	\$91.00
5667 69 AV SE	\$93.49
2760 45 AV SE	\$96.00
5555 78 AV SE	\$96.00
3961 106 AV SE	\$106.97
4141 110 AV SE	\$118.95
10905 48 ST SE	\$125.54

[19] The median assessment psf for the sample of eight equity comparables presented in paragraph [18] was determined to be \$96.00 psf.

[20] Based on the evidence and arguments presented the Board supports an assessment rate of \$96.00 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