



## **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:**

***MORGUARD INDUSTRIAL PROPERTIES (1) 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: 200200806**

**LOCATION ADDRESS: 5716 Burbank CR SE**

**FILE NUMBER: 72202**

**ASSESSMENT: \$11,740,000**

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
- T. Luchak 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 5716 Burbank Cr SE is a 111,011 square foot (sq. ft.) 2 building multi bay warehouse on 5.59 acres of land with a 1972 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 Burns Industrial region. The assessable area of each of building is 55,617 sq. ft. and 55,394 sq. ft.

[3] The assessment was prepared on the Sales Comparison Approach with an assessed rate of \$105.81 per square foot (psf) rounded to \$106 psf.

**Issues:**

[4] Should the subject property be assessed on the Sales Comparison Approach with the assessed rate reduced from \$106 psf to \$97psf?

**Complainant's Requested Value: \$10,000,000** (revised at hearing)

**Board's Decision:**

[5] Based on the evidence and argument presented the Board confirms the assessment rate of \$106 psf in the determination of the assessment:

[6] The assessment is confirmed at \$11,740,000.

**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 a purposed 2013 Industrial Assessment Explanation Summary (IAES). In support of the requested assessed rate the Complainant submitted a table providing details on equity and sales comparables including as supporting documentation 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 (IAES), photographs of the exterior of the subject property, excerpts from applicable legislation, previous Board Decisions 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 details on 7 industrial equity comparables in the SE quadrant in a table on page 8 of Exhibit C1. The following table summarizes the subject compared to the range for the comparables on a number of parameters.

	5716 Burbank CR SE (Subject)	Comparables
Number of Buildings	2	5 with 1;1 with 2;1 with 4
Building Type	IWM	6 - IWM;1- IWS
Total Building Area (sq. ft.)	111,011	80,170 to 91,680
Land Area (acres)	5.59	3.13 to 4.79
Site Coverage (percentage)	46	41-55
AYOC	1972	1958-1978
Percentage Finished	30	11 - 51
Assessment Range psf	n/a	\$78 – \$107
Assessment psf	\$106	Median \$87

[11] The Complainant identified the 2 of the 7 comparable as the best comparables to the subject property. The following table presents details of the subject and this property:

	5716 Burbank CR SE (Subject)	7003 5 ST SE	536 42 AV SE
Number of Buildings	2	2	4
Building Type	IWM	IWM	IWM
Total Area (sq. ft.)	111,011	81,726	89,077
Land Area (acres)	5.59	3.48	4.72
Site Coverage (percentage)	46	41	41
AYOC	1972	1974	1971
Percentage Finished	30	51	36
Assessment psf (rounded)	\$106	\$82	\$107

[12] The Complainant argued that the equity comparables support the requested assessment especially the comparable at 7003 5 St SE.

[13] As additional support the Complainant reviewed the details of 2 industrial sales with transaction dates December 21, 2010 and March 1, 2011, IWM building type, building count of 1, net rentable areas of 80,170 and 91,405 sq. ft. with site coverage 53% to 55% in the Central region. The Time Adjusted Sale Prices (TASP) are \$95 psf and \$124 psf and the 2013 Assessment psf of \$87 psf and \$91 psf. In both cases the 2013 assessment was less than the TASP.

[14] In summary based on the strength of the equity comparables referenced in paragraph [10] and [11] the determination of the assessed value should be based on the median of that sample which is \$87psf.

#### **Respondent's Position:**

[15] The Respondent presented 3 industrial sales comparables (page 22 of Exhibit R1) with transaction dates in the period July 22, 2009 to June 28, 2012. The median TASP was \$141.54.

[16] As further support the Respondent presented on (page 24 of Exhibit R1) an analysis of 4 equity comparables all in the Central region, with I-G land use and IWM building type. The assessed rates ranged from \$91.52 psf to \$122.08 psf with a median of \$106.43 psf.

[17] In response to the Complainant's arguments the Respondent noted that a number of the comparables used in the analysis are single building properties whereas the subject is a multi-building property. Specifically; both sales comparables are single building properties and according to the Respondent the majority of the equity comparables are single building properties. Comparables need to be the same in terms of number of buildings on the site.

[18] Further the Respondent presented on pages 19 and 20 of R1 the IAES for each of the 2 equity comparables presented in paragraph [11]. Noted on the IAES was the statement:

*\*\*\*\*Multiple Building Adjustment has been applied which challenges the comparability to the subject property.*

[19] The Respondent argued that the analysis of sales and equity comparables supports the assessment rate of \$106 psf.

#### **Board's Reasons for Decision:**

[20] In support of the Complainant's argument details were provided on a number of equity and sales comparables. The IAES for the subject property identifies 2 buildings on the subject property each with the IWM building type. A review of the equity and sales comparables as provided by the Complainant determined that only 1 of the 7 comparables have 2 buildings on the site which is the same as the subject.

[21] The municipal address of the comparable referenced in paragraph [20] is 7003 5 ST SE. The Respondent presented on pages 19 of R1 the IAES for this property and as referenced in paragraph [18] on the IAES was the statement:

*\*\*\*\*Multiple Building Adjustment has been applied which challenges the comparability to the subject property.*

[22] A review of the Exhibit C2 determined that Property Assessment Summary Report for 7003 5 ST SE determined that an influence adjustment was applied for environmental concerns.

[23] The Respondent's equity comparables referenced in paragraph [16] provide comparables on assessable building area for each of the subject's buildings. This analysis reported the median assessed rate to be \$106.43 psf.

[24] As assessment is completed on an individual building basis and not the aggregate area of the buildings on the site the comparables used in evidence need to recognize this approach. Further the equity comparables presented in the table in paragraph [10] reported total building area, land area and site coverage that were smaller than the subject property.

[25] Also, the reliance by the Complainant on aggregate areas and the determination that the assessment of the comparable at 7003 5 ST SE (paragraph [22]) was influenced by other factors, the argument based on the analysis of this equity sample (paragraph [11]) is questioned.

[26] Based on the evidence and arguments presented the Board confirms the assessment rate of \$106.00 psf (rounded).

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. C2	Complainant Disclosure Rebuttal
3. 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