



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:

SIMMONS CANADA INC.
(as represented by AEC International), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Glenn, PRESIDING OFFICER
A. Zindler, BOARD MEMBER
J. Lam, 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:	091018556
LOCATION ADDRESS:	3636 11A ST SE
FILE NUMBER:	72238
ASSESSMENT:	\$10,530,000

This complaint was heard on Monday, the 26th day of August, 2013 at the offices of the Assessment Review Board located on Floor Number 2, at 1212 – 31 Avenue NE, in Calgary, Alberta, in Boardroom 2.

Appeared on behalf of the Complainant:

- J. Smiley, Agent

Appeared on behalf of the Respondent:

- M. Hartmann and T. Nguyen, Assessors

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

[1] When asked, neither party raised any issues with regard to either Jurisdiction or Procedure.

Property Description:

[2] The subject is a 9.02 acre parcel of land with an industrial warehouse improvement built in 1966, comprising 127,638 SF and an outbuilding built in 1973, comprising 2,208 SF respectively, with a total site coverage of 32.47% and an interior finish of 7%, assessed at \$82.40/SF and located in the Ogden area of SE Calgary.

Issues:

[3] Whether the subject assessment is correct, based on the market value indicated by considering comparables sales.

Complainant's Requested Value:

[4] \$9,440,000, based on a revised assessment of \$74/SF

Board's Decision:

[5] The assessment is confirmed at: \$10,530,000

Complainant's Position:

[6] The Complainant initiated their argument by asserting that the subject assessment was

simply too high. In support of that, they provided just two of the only three sales comparables which they say matched their selection criteria. They suggested that there was no utility to the extra land. They acknowledged that they had not attended on the subject property.

[7] Their comparables were of similar size, the same age, and had a slightly higher, but still comparable percentage finish. Both comparables also had a much larger site coverage, and both were located not far from the subject location. The comparables both had a much smaller land parcel size.

[8] In rebuttal, the Complainant argued that the Assessment to Sales Ratios were critical, and that these ASR's suggested that the values were poorly predicted, that is two were slightly higher, and two were slightly lower. The Complainants argued stating that their comparables were very strong, and more closely match the subject. Therefore, a reduction in the subject assessment should have been forthcoming.

[9] They completed their argument by stating that the Respondent brought up and emphasized parcel size in the presentation. The Complainant argued that site coverage is a much more important factor in this type of assessment.

Respondent's Position:

[10] The Respondent provided a set of four comparables which included the two Complainant comparables. They also provided a chart which they suggested adjusts for site coverage.

[11] The Respondent's comparables show a time adjusted sale price per square foot of \$72 to \$73/SF for the common sales comparables, but a TASP of \$94 to \$98/SF for their own comparables. From this they derive a median sale price of \$84.18/SF, which exceeds the subject assessment by almost \$2/SF.

[12] The Respondent argues that the two common comparables are not good comparables because of the amount of site coverage, none the less, they included them in their brief

[13] The site coverage adjustment chart purports to take the adjusted sale prices of the sales comparables and adjust the site coverage to calculate a new rate if the properties were to match the subject in site coverage. The application of the chart was not, however, well explained.

Board's Decision in Detail:

[14] In summary, the Complainant's comparables were not enough to convince the Board that the subject assessment was in need of correction. They only provided two of the three comparables which they said matched their selection criteria. The initial presentation of the Complainant was rather short and somewhat facile. In other words, they glossed over some critical information, such as: the comparable properties were the same size, but the parcel sizes of the comparables were somewhat smaller, without fully and properly arguing that point.

[15] The rebuttal argument was similarly not well developed. Several purported statements of fact were uttered, (namely the ASRs of the comparables) without even suggesting how that applied to the matter at hand. Empirical evidence is of little assistance to the Board in reaching

a decision, without it being properly argued. There was simply not enough convincing evidence presented by the Complainant.

[15] The Board subsequently found that the onus of proof which the Complainant was required to meet was not met, and therefore the Board confirmed the subject assessment at \$10,530,000.

DATED AT THE CITY OF CALGARY THIS 25th DAY OF OCTOBER, 2013.



R. Glenn
Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal Disclosure
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.