



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:

SREIT (West No. 2) Ltd. (as represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

PRESIDING OFFICER: T. Helgeson

BOARD MEMBER: R. Roy

BOARD MEMBER: R. Cochrane

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: 201363603

LOCATION ADDRESS: 2925 10 Avenue NE

FILE NUMBER: 72397

ASSESSMENT: \$8,570,000

This complaint was heard on the 3rd day of September, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant

- *M. Robinson*

Appeared on behalf of the Respondent:

- *K. Cody*

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

- [1] No procedural or jurisdictional matters were brought before the Board.

Property Description:

[2] There are two buildings on the subject property at 2925 10 Avenue NE, a single tenant industrial warehouse and a multi-tenant industrial warehouse. Both buildings were constructed in 1977. The site area of the subject property is 5.05 acres, of which the buildings cover 38%. The assessable area of building 01 is 33,600 square feet ("sq. ft."), and the assessable area of building 02 is 51,050 sq. ft.. The subject property is assessed at \$109.31 per sq. ft. of building area. There is an exempt tenant, namely the Glenbow museum.

Issue:

- [3] Does the assessed value of the subject property reflect market value?

- [4] **Complainant's Requested Value:** \$6,960,000 (amended request).

- [5] **Board's Decision:** The assessment is confirmed at \$8,570,000.

Positions of the Parties

Complainant's Position:

[6] The assessment of the subject property is in excess of its market value. The aggregate assessment per sq. ft. applied to the subject property is inequitable compared with the assessments of similar and competing properties, and does not reflect market value for assessment purposes when using the sales comparison approach.

[7] Our sales comparison approach shows the subject property is over-assessed. The median of the time adjusted sales of three comparable properties, 3905 29 Street NE, 1616 Meridian Road NE and 700 33 Street NE is \$89 per sq. ft., significantly less than the assessment of the subject property at \$109 per sq. ft.

[8] As to our sales comparables, we were told that the property at 1616 Meridian road NE, was valued on the cost approach. If we were misinformed, it's not our fault. In any event, the sale is valid.

Respondent's Position

[9] Yes, admittedly the Assessment Explanation Sheet indicated that 1616 Meridian Road NE was assessed with the sales approach, but in fact it was assessed using the cost approach, likely because metal rolling is not a typical use. That said, due to variances, 1616 Meridian Road NE is not a good comparable to the subject property.

[10] Taking the total square footage of a multiple building site and comparing it to the square footage of a single building does not produce a valid comparison. Combining the square footage of multiple buildings into one amount misrepresents the true characteristics of the property, and in the present case does not give the Board a clear picture.

[11] The Respondent must follow section 289(2) of the *Municipal Government Act*, which requires that each assessment must reflect the characteristics and physical condition of property. Based on the directions of the Board and an analysis of the sales of multiple buildings, the Respondent has applied a negative adjustment to recognize that multiple buildings on a parcel of land are on a single title, and must be sold together. This is an appropriate means of assessing multiple building sites because it takes into consideration the physical characteristics of the property, and recognizes that the buildings cannot be sold separately

[12] Our industrial sales chart includes both single tenant and multi-tenant properties (R-1, page 21), but there is no sale of a multi-building property. As it happens, the best comparable in the sales chart is a single tenant property at 7211 8 Street NE.

[13] As for equity, our 2013 Industrial Equity Chart at page 22 of R-1 shows four multi-building properties, all of them multi-tenanted. These industrial warehouses have land areas in the same range as the subject property, similar building footprints, building areas, years of construction and site coverage. The assessed values per square foot of the equity comparables approximate those of the subject property.

[14] We submit that the assessment is both fair and equitable, and is supported by the evidence. We respectfully request the Board to confirm the assessment.

Board's Reasons for Decision:

[15] The Board confirms that 1616 Meridian Road NE is not a typical warehouse. It is a heavy duty metal rolling mill, therefore not comparable to the subject property. That leaves the Complainant with only two sales comparables, and in the view of the Board, that is insufficient to ground a time-adjusted sale value for use in an assessment of the subject property.

[16] The Respondent's sales comparables serve well in demonstrating that the subject property is assessed well within the range of time-adjusted values of the comparables. The Board finds the evidence of the Respondent persuasive.

DATED AT THE CITY OF CALGARY THIS 4th DAY OF December 2013.



Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2 C2	Complainant's Rebuttal
2. R1	Respondent Disclosure

For Administrative Use

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouses	Warehouse Single & MultiTenant	Sales Approach	Equity Comp- arables.

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.*