

## **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:**

***Donel Holdings Inc. (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: 024007452**

**LOCATION ADDRESS: 5050 Skyline Way NE**

**FILE NUMBER: 72754**

**ASSESSMENT: \$4,360,000**

This complaint was heard on the 3<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 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 is one building, a single tenant industrial warehouse, on the subject property at 5050 Skyline Way NE. The building was constructed in 1979. The land area of the subject property is 2.50 acres, of which the building covers 33%. The assessable area of the building is 37,406 square feet ("sq. ft."). The subject property is assessed at \$116.56 per sq. ft. of building area.

**Issue:**

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

- [4] **Complainant's Requested Value:** \$3,370,000

- [5] **Board's Decision:** The assessment is confirmed at \$4,360,000.

**Positions of the Parties**

**Complainant's Position:**

[6] The subject property is a single tenant building. The assessment of the subject property is in excess of its market value. The aggregate assessment per sq. ft. does not reflect market value when the direct sale comparison approach is used. The sales comparison approach shows the subject property is over-assessed. The median of time adjusted sales of three comparable properties is \$101 per sq. ft., significantly less than the assessment of the subject property at \$116.56 per sq. ft. Our amended requested value based on \$101 per sq. ft. is \$3,370,000.

[7] Our rebuttal evidence, C-2, shows that less weight should be placed on the Respondent's sales comparable at 6835 8 Street NE because the building is only 20 years old. Similarly, the property at a 3640 11A Street was constructed in 1998. The Respondent's sales comparable at 4413 11 Street NE is more of a factory than a warehouse. It is equipped with a five ton crane.

### **Respondent's Position**

[8] One of the Complainant's three sales comparables, 2835 23 Street NE, is a two building property, hence not comparable to a one building property like the subject property. As for the Respondent's remaining sales comparables, both are multi-tenant buildings. They have building areas much larger than the subject property, so it is hardly surprising that their sale values per square foot are less than the assessed rate per square foot of the subject property.

[9] Our industrial sales chart consists entirely of single tenant buildings (R-1, page 27). The two best comparables, 6835 8 Street NE and 2620 22 Street NE, are good comparables, and have site coverage close to that of the subject property.

[10] As for equity, our 2013 Industrial Equity Chart at page 29 of R-1 shows six industrial warehouses with land areas similar to the subject property, same land use designations, similar building footprints, building areas, years of construction and site coverage. The only material difference between the equity comparables and the subject property is that all but one of the comparables have higher assessment rates per square foot.

[11] 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:**

[12] The Board agrees with the Respondent that a property with two buildings is not an appropriate sales comparable in relation to the subject property. The Board accepts that more than one building on the same site means variances in the buildings. Also, the Board finds the building areas of the remaining two properties in the Complainant's analysis at page 14 of C-1 have much larger building areas than the subject property, and that is likely the explanation for their time adjusted, per square foot values.

[13] The documents contained in the Complainant's rebuttal (C-2) are with reference to the six sale comparables in the Respondent's material. The Complainant submits that the warehouse on 6835 8 Street NE, one of the properties the Respondent describes as most comparable to the subject property, is only 20 years old, therefore less weight should be accorded this property as a comparable. The same argument applies to Respondent's comparable at 3640 11 Street SE, because the building on the property was constructed in 1998.

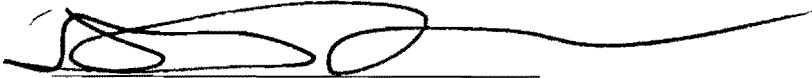
[14] Further to this, the Complainant submits that 7211 8 Street NE is not such a good comparable because it is more of a factory than a warehouse, this based on the presence of a five ton crane on the property.

[15] The Board does not find it unusual that sales comparables often do not exhibit characteristics ideally similar to those of the subject property. That is, of course, because sales comparables cannot be created, but come into existence by chance. In this case, the Respondent's six comparables are for the purpose of demonstrating that the subject property is

assessed for less per square foot than the sale values of the comparables, whereas the Complainant's sale comparables are to demonstrate that the subject property was over-assessed..

[16] Nevertheless, the building areas of the Complainant's comparables stood out as anomalous and obtuse. The Board finds the evidence of the Respondent persuasive.

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



Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. C2	Complainant's Rebuttal
2. R1	Respondent Disclosure

**For Administrative Use**

<b>Subject</b>	<b>Property Type</b>	<b>Property Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Warehouse	Warehouse Single Tenant	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.*