



## **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:

***Pockar Management Inc. (as represented by Altus Group.)***  
**COMPLAINANT**

and

***The City Of Calgary, RESPONDENT***

before:

***W. Krynski, PRESIDING OFFICER***  
***D. Morice, BOARD MEMBER***  
***T. Livermore, 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:

<b>ROLL NUMBER:</b>	<b>034191007</b>
<b>LOCATION ADDRESS:</b>	<b>640 42 Avenue, NE</b>
<b>FILE NUMBER:</b>	<b>72798</b>
<b>ASSESSMENT:</b>	<b>\$5,120,000</b>

This complaint was heard on 8th day of July, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *M. Robinson*

Appeared on behalf of the Respondent:

- *K. Cody*
- *M. Hartmann*

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

- [1] The parties had no objections to the panel representing the Board as constituted to hear the matter. No jurisdictional or procedural matters were raised at the outset of the Hearing, and the Board proceeded to hear the merits of the complaint.

**Property Description:**

- [2] The subject property contains a single multi-bay warehouse located at 640 42 Ave. NE, in the Greenview Industrial Park. The building has an assessed area of 46,223 square feet (sf), of which 38% is finished. The building is situated on a 2.1 acre parcel, providing a site coverage of 43%, and the year of construction is 1980.

**Issue:**

- [3] The assessment of the subject property is in excess of its market value.

**Complainant's Requested Value: \$ 3,850,000**

**Board's Decision**

- [5] The Board confirms the assessment at \$5,120,000.

**Legislative Authority, Requirements and Consideration**

- [5] The Calgary Composite Assessment Review Board takes authority from the Municipal Government Act and associated Government of Alberta Legislation and Regulations.

**Position of the Parties****Complainant's Position:**

- [6] At an assessed rate of \$111.00 per square foot (psf), the Complainant submits that the subject assessment is in excess of its market value, as calculated via the Direct Sales Comparison Approach. In their opinion, a requested rate of \$83.00 psf would result in an assessed value representative of market as at July 1, 2012.
- [7] Various maps, aerials and photographs were provided, to offer a visualization of the subject location, and building characteristics.
- [8] As supporting market evidence, the Complainant provided sale comparables as follows:
- [9] **Sale #1: 3650 12 Street NE;** Sold July 6, 2011 for \$81.00 psf. The time adjusted sale price is \$86.00 psf. Situated in the South Airways Industrial Park, the property consists of a single multi bay warehouse building, with 51,200 sf. of assessed area, of which 14% is finished. It is situated on a 2.6 acre parcel of land, providing a site coverage of 45%. The year of construction is 1974.
- [10] **Sale #2: 2835 23 Street, NE;** Sold June 15, 2011 for \$92.00 psf and time adjusted to \$101.00 psf. Located In the South Airways Industrial Park, the property consists of two multi bay warehouse buildings, with an aggregate assessed area of 48,660 sf, of which 28% is finished. The buildings are situated on 3.1 acres, yielding a site coverage of 36%. The building's year of construction is 1978.
- [11] **Sale #3: 2115 27 Ave., SE;** Sold November 4, 2009 for \$83.00 psf and time adjusted to \$90.00 psf. Located in the South Airways Industrial Park, the property consists of a single multi bay warehouse, with 49,703 sf of assessed area, of which 73% is finished. The building is situated on a 2.6 acre parcel of land, providing a site coverage of 34%. The year of construction is 1980.

- [12] Based on the above sales, the Complainant has calculated median sale prices of \$83.00 psf (non time adjusted), and \$90.00 psf (time adjusted). The time adjustments were said to replicate the City's time adjustment criteria, and while the time adjusted figures were included, it is the Complainant's position that the assessment should ultimately be predicated on the non time adjusted median sale price of \$83.00 psf. It is this figure upon which the original assessment request of \$3,850,000 is predicated. In the event that the Board was not in agreement with this reasoning, the Complainant provided an alternate assessment request of \$4,160,000, predicated on the time adjusted median sale price of \$90.00 psf.
- [13] Finally, the Complainant takes issue with the City's methodology of valuing multiple building properties on the merits and physical characteristics of each individual building, rather than considering the aggregate of all buildings on the site as a single entity. The Complainant contends that the City process does not reflect actions of typical parties in the real estate market. In support of this position, the Complainant cross references Hearing #72364, and has referenced a number of Assessment Review Board Decisions.

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

- [14] The Respondent submitted photos, maps and aerial photos, etc., providing a visual description of the Subject Property, location, building placement, etc.
- [15] In support of the assessment, the Respondent submitted a selection of 4 sale comparables:
- [16] **Sale #1: 700 33 Street NE;** Sold October 30, 2009, and time adjusted to \$107.89 psf. Located In the Franklin Industrial Park, the property consists of a single multi-bay warehouse, with a 16 foot wall height. Total area of the building is 59,573 sf, with 3% finish, and situated on 3.6 acres, yielding a site coverage ratio of 39%. The year of construction for the building is 1976.
- [17] **Sale #2: 5049 74 Ave. SE;** Sold April 29, 2011, and time adjusted to \$97.30 psf. Located In the Foothills Industrial Park, the property consists of a single tenant warehouse. Total area of the building is 55,000 sf, with 26% finish, and situated on 3.8 acres, yielding a site coverage of 30%. The year of construction for the building is 1982.
- [18] **Sale #3: 6213 29 Street SE;** Sold December 1, 2010, and time adjusted to \$143.55 psf. Located In the Foothills Industrial Park, the property consists of a single tenant warehouse. Total area of the building is 38,654 sf, with 16% finish. It is situated on 3.7 acres, yielding a site coverage of 21%. The year of construction for the building is 1975.

- [19] **Sale #4: 6835 8 St., NE;** Sold October 29, 2010, the time adjusted sale price is \$149.71 psf. Located In the Deerfoot Industrial Park, the property consists of a single multi tenant warehouse. Total area of the building is 38,577 sf, with 18% finish. It is situated on 3.0 acres, yielding a site coverage ratio of 29%. The year of construction for the building is 1990.
- [20] **Sale #5: 1415 28 St., NE;** Sold December 16, 2010, the time adjusted sale price is \$187.69 psf. Located In the Meridian Industrial Park, the property consists of a multi tenant warehouse. Total area of the building is 36,954 sf, with 37% finish. It is situated on 4.4 acres, yielding a site coverage of 18%. The year of construction for the building is 1970.
- [21] Further to this, the Respondent provided an assessment equity chart, reflecting 6 equity comparables, of sizes ranging from 34,050 to 48,746 sf, and indicating assessed rates of \$102.25 to \$111.35 psf. All six of the comparables are in the northeast quadrant of the City, and four are multi bay, while two are single tenanted. Years of construction ranged from 1974 to 1981.
- [22] The Respondent noted that the Complainant's method of analysing sales without making necessary time adjustments is, in its opinion, incorrect, thereby providing erroneous results. This is especially true, given that many of the sales were dated by up to three years. Certainly no evidence came forth from the Complainant that the market was in equilibrium for the preceding three years, or that the City's time adjustment analysis was flawed.
- [23] Finally, the Respondent noted that the Complainant's methodology in valuing multiple building properties is erroneous. Assessable areas of numerous buildings are combined on an aggregate basis, as if they formed a single entity, which, the Respondent's opinion, is incorrect. Furthermore, the City maintains that it applies a (negative) multi building market adjustment to multi building properties, based on 2010 Hearing Year Decisions, and a market analysis of these property types. Support for the City methodology in this respect is provided by a number of Assessment Review Board Decisions, which the Respondent references, in addition to a cross reference to Hearing #72364.

**Board's Reasons for Decision:**

- [24] The Board finds that market evidence from both parties is less than optimum. Having said that, the onus is on the Complainant to show that the assessment is incorrect, and in this instance, the Board does not find the Complainant's evidence to be sufficiently compelling to vary the assessment.

- [25] The Board considered the equity comparables provided by the Respondent to be supportive of the subject assessment.
- [26] The Board was not in agreement with the Complainant's position that a time adjustment of sales is not required.
- [27] The Board agrees with the Respondent's position whereby properties with multiple buildings be assessed based on separate building valuations, thereby reflecting individual building characteristics. However, this is only to the extent that the multiple buildings on the single-titled parcel vary significantly in their individual building characteristics.
- [28] While the Board reviewed and considered previous Assessment Review Board Decisions as referenced by both parties in this Hearing, the Board is not bound by previous decisions, and bases its' decisions on the merits of all evidence presented.
- [29] On review and consideration of all the evidence before it in this matter, the Board found the Complainant's evidence was not sufficient to warrant a variance in the assessed value.
- [30] The Board confirms the Subject assessment at \$5,120,000

DATED AT THE CITY OF CALGARY THIS

1<sup>st</sup>

DAY OF

August

2013.

  
Walter Krysiniski

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. R1	Respondent Disclosure
3. C2	Complainant Rebuttal

*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**

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Industrial	Multi Bay Warehouse	Market value	