

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:

Christian Sonnemann, Erik Sonnemann c/o Norcal Realty & Management Corp., (as represented by Altus Group Ltd.), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

L. Wood, PRESIDING OFFICER

J. Rankin, MEMBER

D. Julien, 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:	032034100
LOCATION ADDRESS:	4220 23 ST NE
FILE NUMBER:	72813
ASSESSMENT:	\$2,930,000

This complaint was heard on 18 day of June, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- M. Robinson Agent, Altus Group Ltd.

Appeared on behalf of the Respondent:

- K. Cody Assessor, City of Calgary
- L. Cheng Assessor, City of Calgary

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

[1] The Complainant withdrew the issue related to sections 299 and 300 of the Act. He indicated that the Respondent had complied with the request in this instance.

[2] The parties asked to carry forward their comments in regards to the multi building coefficient as set out in file 72357 to this complaint. The Board agreed to do so.

[3] The Respondent submitted a surrebuttal to the Board which contained several CARB decisions. The Complainant did not object. The Board marked that submission (which is argument) as an exhibit only to track it throughout several proceedings. It applies to the following files: 73044; 72813; 72796; 72797; 72799; and 72800.

Property Description:

[4] The subject property is a multi tenant warehouse located in North Airways. The assessable building area is 23,325 sq. ft. and it is situated on 1.38 acres. The land use designation is I-G, Industrial General. The building was constructed in 1979; has a finish percentage of 38% and a site coverage ratio of 37.94%. The subject property was assessed based on the direct sales comparison approach at \$125.81 psf.

Issues:

[5] The issues for the complaint were identified as follows:

- a) The assessment of the subject property is in excess of its market value for assessment purposes.
- b) The aggregate assessment per square foot applied to the subject property does not reflect market value for assessment purposes when using the direct sales comparison approach.

Complainant's Requested Value: \$2,560,000

Board's Decision: The assessment is confirmed at \$2,930,000.

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

[6] The Complainant submitted three sales comparables of multi tenant warehouses in support of his request (Exhibit C1 page 14). The sales occurred in May 2011 - June 2012. The warehouses were built in 1974 - 1980; have assessable building areas of 14,884 – 35,200 sq. ft.; parcel sizes of 0.8 – 1.7 acres; site coverage ratios of 43% - 46%; and finish percentage of 17% – 41%. The unadjusted sale price was \$81 - \$126 psf, a median of \$110 psf and a time adjusted sale price ("TASP") of \$81 - \$140 psf, a median of \$110 psf. The Complainant disagreed with the Respondent's time adjustment analysis and corresponding time adjusted assessment to sales ratio analysis ("TASR") but did not substantiate his claims.

[7] In rebuttal, the Complainant argued that less weight should be attributed to the Respondent's sales comparables for a variety of reasons (e.g. the physical attributes; the purchaser intended to utilize the property for their own use; or the property was purchased for a price less than its current value etc.) (Exhibit C2 pages 4 – 17).

Respondent's Position:

[8] The Respondent submitted five sales comparables of single and multi tenant warehouses in support of the subject property's current assessment (Exhibit R1 page 14). The sales occurred in October 2009 – December 2011. The warehouses were built in 1970 – 1986; have assessable building areas of 18,024 – 23,678 sq. ft.; parcel sizes of 1.08 – 3.11 acres; site coverage ratios of 13.09% – 41.63%; and finish percentage of 11% – 64%. The sale price ranged between \$128.81 - \$192.35 psf (TASP). The Respondent identified assessable building area, year of construction and site coverage as significant factors when valuing a property as opposed to finish and building type.

[9] The Respondent submitted several equity comparables as further support of the assessment but agreed that equity was not an issue before the Board in this instance (Exhibit R1 page 15).

Legislative Authority:**Decisions of assessment review board**

467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

(2) An assessment review board must dismiss a complaint that was not made within the proper time or that does not comply with section 460(7).

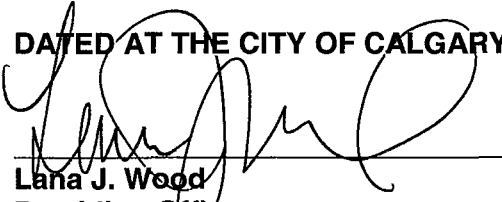
(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- (a) the valuation and other standards set out in the regulations,
- (b) the procedures set out in the regulations, and
- (c) the assessments of similar property or businesses in the same municipality.

Board's Reasons for Decision:

[10] The Board placed less weight on the Complainant's sales comparables because they required too many adjustments. The Board finds the Respondent's best comparable is the property located in South Airways at 2620 22 ST NE which sold in December 2011 for \$3,050,000 or \$128.81 psf (unadjusted). It is most similar to the subject property in terms of location, assessable building area, parcel size, site coverage, finish and year of construction and supports the current assessment of the subject property.

DATED AT THE CITY OF CALGARY THIS 12th DAY OF July 2013.



Lana J. Wood
Presiding Officer

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

NO.	ITEM
1. C1	Complainant's Disclosure
2. C2	Complainant's Rebuttal
3. R1	Respondent's Disclosure
4. R2	Respondent's Surrebuttal

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	Warehouse	Warehouse Multi Tenant	Sales Approach	