



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:

Alberta Assets (2006) Inc.
(as represented by Altus Group Ltd.), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

J. Dawson, PRESIDING OFFICER
J. Massey, BOARD MEMBER
P. Charuk, BOARD MEMBER

This is a complaint to the Calgary Composite Assessment Review Board [*CARB*] 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:	201355096
LOCATION ADDRESS:	4705 102 AV SE
LEGAL DESCRIPTION:	Plan 0813579; Block 14; Lot 22
FILE NUMBER:	72900
ASSESSMENT:	\$ 12,800,000

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

Appeared on behalf of the Complainant:

- *D. Mewha* *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *I. McDermott* *Assessor, City of Calgary*

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

[1] The Complainant and Respondent requested that all evidence, discussion, questions and answers heard during decision CARB 72509P-2013 be incorporated into this hearing.

[2] There are no additional preliminary, procedural, or jurisdictional issues.

Property Description:

[3] The subject is an Industrial Warehouse – Single-tenant [IWS] building constructed in 2009 with a footprint of 91,884 square feet and 96,905 assessable square feet of which 12% is finished for office use. Utilising 5.95 acres of land, the calculated site coverage is 35.48%. The subject is located in the Non-Residential Zone [NRZ] of DU1 – Dufferin. It has been assessed using the Direct Sales Comparison approach arriving at a value of \$132.15 per square foot.

Issues:

[4] The single issue before the Board is the assessed value with the value per square foot being the focus of the presentations.

Complainant's Requested Value: \$ 10,170,000

Board's Decision:

[5] The Board found the correct assessment to be \$11,620,000 derived from a value of \$120.00 per square foot of assessable area.

Position of the Parties

Complainant's Position:

[6] The Complainant presented four sales of comparable properties deriving an unadjusted median and an average (mean) of \$105 per square foot. Time adjustments, using the

Respondent's calculations, were provided. However, the Complainant based the requested assessment on the unadjusted values (C1 p. 14):

- I. 4975 12A ST SE utilises 2.6 acres of land equating to 53% site coverage, has 60,850 square feet of assessable area and was built in 1996 with 36% office finish. This property sold in September 2011 for a value of \$84 per square foot with a time adjusted value of \$87 per square foot.
- II. 4410 46 AV SE utilises 2.6 acres of land equating to 49% site coverage, has 60,700 square feet of assessable area and was built in 1999 with 14% finish. This property sold in July 2011 for a value of \$106 per square foot with a time adjusted value of \$113 per square foot.
- III. 4880 104 AV SE utilises 5.1 acres of land equating to 44% site coverage, has 97,140 square feet of assessable area and was built in 2008 with 7% finish. This property sold in March 2011 for a value of \$126 per square foot with a time adjusted value of \$141 per square foot.
- IV. 901 57 AV NE utilises 4.2 acres of land equating to 54% site coverage, has 99,000 square feet of assessable area and was built in 2000 with 19% finish. This property sold in October 2012 for a value of \$104 per square foot with no time adjustment.

[7] The Complainant provided four equity comparables showing a median and average (mean) values similar to the subject concluding an assessed value of \$114 per square foot for the comparables (C1 p.15).

[8] The Complainant concluded that \$105 per square foot is the correct assessment for the subject calculating a truncated value of \$10,170,000.

Respondent's Position:

[9] The Respondent explained the land value differences for property in different parts of the city, showing \$585,000 per acre for I-G land in the SE and \$950,000 per acre for the first two acres of I-G land in the NE (R1 p. 24).

[10] The Respondent provided adjustment values for the four sales presented by the Complainant to arrive at equal site coverage. This resulted in comparable values of \$124.09 per square foot for median and an average (mean) of \$138.46 per square foot. The Respondent indicated the sale at 901 57 AV NE is considered *post facto* and should not be utilised to calculate a median and mean; however did so in this analysis. The Respondent asserted that with adjustments the four sales support the assessment (R1 p. 23):

[11] The Respondent provided five equity comparables concluding an assessed value of \$132.15 per square foot for the subject is correct (R1 p. 25).

Board's Reasons for Decision:

[12] The Board found the fourth sale from the Complainant to be the best comparable. Though the sale at 901 57 AV NE for \$104 is considered *post facto* with a sale date of October, 2012; its characteristics and use matched closely with that of the subject. The Board accepted the requested value of \$105 per square foot with an adjusted presented below.

[13] Evidence provided by the Respondent showed that there is a land value difference between the comparables based on site coverage. The sale at 901 57 AV NE has 4.37 acres of

land while the subject has 5.95 acres of land. The difference is 1.58 acres of greater land area on the subject. At a land rate of \$950,000 per acre results in a value of \$1,501,000 or approximately \$15 per square foot when divided by the subject area.

[14] Combining the Complainant's request with the amount attributable to the extra land finds a value of \$120.00 per square foot. With 96,905 square feet within the subject at \$120.00 per square foot equates to \$11,628,600, which when truncated results in a revised assessment of \$11,620,000.

DATED AT THE CITY OF CALGARY THIS 30th DAY OF July 2013.



Jeffrey Dawson,
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. 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.*

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouse	Warehouse Single Tenant	Sales Approach	Land and Improvement Comparables