



Calgary Assessment Review Board

DECISION WITH REASONS

In the matter of the complaint against the property assessment as provided by the *Municipal Government Act (MGA)*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

between:

Clip Calgary Nominee Inc.
(as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

M. Vercillo, PRESIDING OFFICER
R. Deschaine, BOARD MEMBER
J. Mathias, 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:

ROLL NUMBER: 201834934
LOCATION ADDRESS: 4545 54 AV SE
FILE NUMBER: 72925
ASSESSMENT: \$7,390,000

This complaint was heard from the 16th day of July, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 5.

Appeared on behalf of the Complainant:

- *J. Weber*

Appeared on behalf of the Respondent:

- *J. Greer*

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

[1] The Calgary Composite Assessment Review Board (CARB) derives its authority to make this decision under Part 11 of the Act. No specific jurisdictional or procedural issues were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint, as outlined below.

Property Description:

[2] The subject property contains one multi-tenanted industrial warehouse (IWM) building, located in the Foothills Industrial district of SE Calgary and is zoned Industrial-General. According to the information provided, the building has an assessable area of 74,914 square feet (sf), was constructed in 1980 and has an office finish ratio of 2%. The building is situated on an assessable land area 3.90 acres, with a site coverage of 43.57%.

[3] The subject is assessed using the Direct Sales Comparison Approach to value at a rate of \$98.77 per sf.

Issues:

[4] The CARB considered the complaint form together with the representations and materials presented by the parties. However, as of the date of this hearing, the following issue remained in dispute:

- a) The subject property is in excess of market value as indicated by the sales comparison approach.

Complainant's Requested Value: \$5,610,000

Board's Decision:

[5] The complaint is accepted in part and the assessment is revised at \$6,570,000.

Legislative Authority, Requirements and Considerations:

[6] As in accordance with MGA 467(3), a CARB *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.*

Position of the Parties

ISSUE 1: The subject property is in excess of market value as indicated by the sales comparison approach.

Complainant's Position:

[7] The Complainant provided a 17 page disclosure document that was entered as Exhibit C1 during the hearing. The Complainant along with Exhibit C1 provided the following evidence and argument with respect to this issue:

[8] A chart of three sales comparables, all of which were single-tenanted warehouse (IWS) properties. The sales comparables had land area ranging from 2.6 acres to 3.8 acres with buildings that were constructed from 1981 and 1999. The buildings had site coverage ranging from 30% to 49%, net rental areas ranging from 51,536 sf to 60,700 sf, with office finish percentages ranging from 13% to 26%. The Complainant provided a time-adjusted sales price (TASP) calculation per sf for each comparable ranging from \$78.00 to \$113.00. The TASP of each comparable was then compared to the 2013 assessment of each comparable to calculate an assessment to sales ratio (ASR) ranging from 1.07 to 1.40, with a median of 1.15. The Complainant requested that the subject be assessed at a rate \$75.00 to \$80.00 per sf.

[9] A chart of six equity comparables to the subject. Three of the equity comparables were IWS properties and three were IWM properties. The equity comparables varied in year of construction from 1975 to 1980, had site coverage ranging from 41% to 51%, assessable building areas ranging from 65,147 sf to 94,208 sf, with office finish percentages ranging from 7% to 44%. The 2013 assessment per sf ranged from \$88.63 to \$91.79. The Complainant highlighted that the assessment rate was reasonably consistent throughout the assessable range of building areas.

Respondent's Position:

[10] The Respondent provided a 65 page disclosure document that was entered as "Exhibit R1" during the hearing. The Respondent along with Exhibit R1 provided the following evidence and argument with respect to this issue:

[11] A chart of seven sales comparables with building areas greater than 50,000 sf that included three of the Complainant's sales comparables. Two of the comparables were IWM properties, while the other comparables were IWS properties. The sales comparables had land areas ranging from 2.63 acres to 10.21 acres with buildings that were constructed from 1972 to 2008, with a median of 1982 (the Complainant's comparables had a median of 1982). They had

site coverage ranging from 22.63% to 49.24%, with a median of 37.94% (the Complainant's comparables had a median of 32.35%). An assessable building area ranging from 50,000 sf to 179,418 sf, with a median of 60,700 sf (the Complainant's comparables had a median of 55,000 sf). Office finish percentages ranging from 5% to 39%, with a median of 14% (the Complainant's comparables had a median of 14%). The Respondent provided a TASP calculation per sf for each comparable, ranging from \$70.95 to \$152.64, with a median of \$97.30 (the Complainant's comparables had a median of \$97.30). The TASP of each comparable was then compared to the 2013 assessment of each comparable to calculate an ASR ranging from 0.88 to 1.40, with a median of 1.02 and a coefficient of dispersion (CoD) of 12.32% (the Complainant's comparables had a median of 1.15 with a CoD of 9.49%).

[12] A chart of seven sales comparables that included two of the Complainant's sales comparables. Two of the comparables were IWM properties, while the other comparables were IWS properties. The sales comparables had land areas ranging from 1.62 acres to 10.21 acres with buildings that were constructed from 1972 to 1982, with a median of 1979 (the Complainant's comparables had a median of 1982). They had site coverage ranging from 20.86% to 40.09%, with a median of 32.35% (the Complainant's comparables had a median of 31.39%). An assessable building area ranging from 27,816 sf to 179,418 sf, with a median of 51,536 sf (the Complainant's comparables had a median of 53,268 sf). Office finish percentages ranging from 5% to 33%, with a median of 18% (the Complainant's comparables had a median of 19%). The Respondent provided a TASP calculation per sf for each comparable, ranging from \$70.95 to \$143.55, with a median of \$97.30 (the Complainant's comparables had a median of \$87.76). The TASP of each comparable was then compared to the 2013 assessment of each comparable to calculate an ASR ranging from 0.87 to 1.40, with a median of 1.02 and a coefficient of dispersion (CoD) of 11.23% (the Complainant's comparables had a median of 1.28 with a CoD of 9.73%).

[13] A chart of seven equity comparables, three of which were IWM properties, while the other comparables were IWS properties and included two equity comparables of the Complainant. The equity comparables had land areas ranging from 2.48 acres to 4.55 acres with buildings that were constructed from 1975 to 1991, with a median of 1977. They had site coverage ranging from 36.33% and 51.71%, with a median of 42.86%. An assessable building area ranging from 65,147 sf to 76,770 sf, with a median of 74,843 sf. Office finish percentages ranging from 1% to 44%, with a median of 7%. The Respondent provided an assessment rate per sf calculation for each comparable, ranging from \$90.60 to \$102.25, with a median of \$94.67.

[14] A duplicative chart of the Complainant's six equity comparables. The chart calculated medians for the Complainant's equity comparables including:

- a) Assessable building area; 80,198 sf,
- b) Year of construction; 1977,
- c) Office finish percentage; 12%,
- d) Site coverage; 44.06%,
- e) Assessment rate per sf; \$90.56.

CARB Findings:

[15] The CARB finds the following with respect to this issue:

[16] That two of the three sales comparables of the Complainant are most comparable to the subject in terms of assessable building area and year of building construction. The fact that the two comparables were used by both parties in their respective sales analysis confirms this.

[17] That the Respondent offered sales comparables that were substantially different in terms of assessable building area.

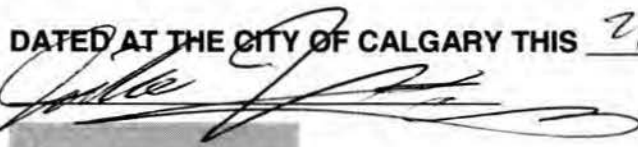
[18] That very little support was established by the Respondent to support the current assessment rate of the subject from an equity comparable standpoint. The equity comparables that were assessed at a higher rate were either newer in construction, had a higher office finish, a lower site coverage or a combination of the three. Moreover, often those with lower assessment rates were also newer in construction, had a higher office finish, a lower site coverage or a combination of the three. In addition, the median assessment rates of both parties' equity comparables were lower than the subject's current assessment rate.

Board's Reasons for Decision:

[19] The \$87.76 median assessment per sf rate offered by the Complainant's two sales comparables that were most comparable to the subject is a reasonable approximation of the subject's fair market value.

[20] The \$87.76 assessment rate per sf is also equitable to the similar and competing properties that were offered as comparables by both parties.

DATED AT THE CITY OF CALGARY THIS 21 DAY OF August 2013.



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.*

(For MGB Office Only)

Column 1	Column 2	Column 3	Column 4	Column 5
CARB	Warehouse	Multi Tenant	Sales Approach	