



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:

Dundee Industrial (Twofer) GP Inc. (as represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Helgeson, PRESIDING OFFICER

R. Roy, BOARD MEMBER

R. Cochrane, 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: 097002109

LOCATION ADDRESS: 3916 61 Avenue SE

FILE NUMBER: 72938

ASSESSMENT: \$7,740,000

This complaint was heard on the 3rd day of September, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- *M. Robinson*

Appeared on behalf of the Respondent:

- *M. Hartmann*

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

- [1] No procedural or jurisdictional matters were brought before the Board in this matter.

Property Description:

[2] The subject property at 3916 61 Avenue SE is located in the Foothills Industrial Park. The area of the land parcel is 5.07 acres. There is a single-tenant warehouse on site that was constructed in 1976. Site coverage is 45%. The assessable area of the building is 99,978 square feet ("sq. ft."). Zoning is Industrial – General ("I-G"). The subject property has been assessed at a rate of \$77.42 per sq. ft. of building area. A rail line curves along the north side of the property.

Issue:

- [3] Is there evidence to support a reduction in the assessment?

- [4] **Complainant's Requested Value:** \$7,090,000

- [5] **Board's Decision:** The assessment is confirmed.

Positions of the Parties

Complainant's Position:

[6] The assessment of the subject property is in excess of its market value for assessment purposes. The aggregate assessment per sq. ft. does not reflect market value for assessment purposes when using the direct sales comparison approach.

[7] The Complainant presents three sales comparables showing the subject is over-assessed. These comparables all resemble the subject property in terms of land area, site coverage, and year of construction. (C-1, page 17).

[8] Two of the comparables are from the northeast quadrant. Northeast properties generally sell higher. The median of the time adjusted sale prices of the three comparables is \$71 per sq. ft. The assessment is at \$77.42 per sq. ft., hence the subject property is clearly over-assessed. Our new requested assessment based on \$71 per sq. ft. is \$7,090,000.

Respondent's Position:

[9] To support their contention that the subject property is over-assessed, the Complainant relies on three sales comparables. Two of these sales are from the northeast; only one is from the same region as the subject property.

[10] Further to this, one of the northeast sales is a special purpose industrial property that bears characteristics that are atypical of most industrial properties. It would clearly not trade in the same market as the subject property.

[11] In fact, the northeast property in question, 1616 Meridian Road NE, has been assessed on the cost approach, because the direct sales comparison approach would not reflect the true market value of the comparable given its unique characteristics. The unique characteristics include cranes, and a metal rolling operation.

[12] Our sales comparables include two of the Complainant's three comparables (R-1, page 24). As it happens, the best of the comparables in our sales chart is one of the Complainant's comparables, 3905 29 Street NE. The size of the land parcel is almost exactly the same as that of the subject property, 5.07 acres to 5.0 acres. Zoning is the same, assessable building area is only 3,000 sq. ft. less than the subject property, years of construction are only five years apart. As for site coverage, the difference between the subject property and 3905 29 Street NE is only 1.47%.

[13] Our industrial equity chart (R-1, page 26) shows that the assessment of the subject property is by no means inequitable. The assessed value of the subject property is clearly in line with equity comparables.

Board's Reasons for Decision:

[14] The Board finds that the sale of 1616 Meridian Road NE of no value as a sales comparable. The property at 1616 Meridian Road NE has cranes, and cranes are machines that require stanchions, and other special features. It's not surprising there are cranes at the property if metal rolling goes on there.

[15] Having removed 1616 Meridian Road NE from the Complainant's sales comparables, the result was an average time-adjusted rate of \$80 per sq. ft., a value somewhat higher than assessed rate of \$77.42, but very, very close.

DATED AT THE CITY OF CALGARY THIS 17th DAY OF December 2013.



Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal
3. R1	Respondent Disclosure

For Administrative Use

Property Type	Property Sub-type	Issue	Sub-Issue
Warehouse	Warehouse Single –Tenant	Sales Approach	Equity Comparable

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.*