

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:

1141580 Alberta Ltd.
(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:	200537728
LOCATION ADDRESS:	4500 106 AV SE
LEGAL DESCRIPTION:	Plan 0412421; Block 2; Lot 12
FILE NUMBER:	73021
ASSESSMENT:	\$ 4,740,000

This complaint was heard on the 2nd 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] There are no preliminary, procedural, or jurisdictional issues.

Property Description:

[2] The subject is an Industrial Warehouse – Single-tenant [IWS] building constructed in 2006 with a footprint of 14,720 square feet and 16,915 assessable square feet of which 21% is finished. Utilising 4.28 acres of land, calculating site coverage of 7.89% resulting in 3.15 acres of extra land. 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 \$280.67 per square foot.

Issues:

- [3] 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: \$ 3,190,000

Board's Decision:

- [4] The Board found the correct assessment to be \$3,630,000 derived from a value of \$215 per square foot of assessable area.

Position of the Parties

Complainant's Position:

- [5] The Complainant presented four sales of comparable properties deriving an unadjusted median of \$189 per square foot and an average (mean) of \$199 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. 9):

- I. 4076 96 AV SE utilises 4.1 acres of land equating to 8% site coverage, has 15,000 square feet of assessable area and was built in 2003 with 20% finish. This property sold in November 2011 for a value of \$180 per square foot with a time adjusted value of \$183 per square foot.
- II. 5420 53 AV SE utilises 3.1 acres of land equating to 8% site coverage, has 11,080 square feet of assessable area and was built in 1998 with 21% finish. This property sold in July 2010 for a value of \$248 per square foot with a time adjusted value of \$281 per square foot.
- III. 5502 56 AV SE utilises 3.1 acres of land equating to 13% site coverage, has 19,957 square feet of assessable area and was built in 1997 with 19% finish. This property sold in May 2010 for a value of \$170 per square foot with a time adjusted value of \$193 per square foot.
- IV. 7491 110 AV SE utilises 2.3 acres of land equating to 16% site coverage, has 17,050 square feet of assessable area and was built in 2011 with 10% finish. This property sold in April 2011 for a value of \$199 per square foot with a time adjusted value of \$221 per square foot.

[6] The Complainant concluded that the first comparable is the best evidence and that \$189 per square foot is the correct assessment for the subject calculating a truncated value of \$3,190,000.

Respondent's Position:

[7] The Respondent provided evidence to discredit the sale at 7491 110 AV SE because it was a non-arms length transfer between related companies. (R1 pp. 23-32)

[8] The Respondent indicated through testimony and evidence that the sale at 4076 96 AV SE cannot be relied upon because it is located in South Foothills and traditionally they achieve values fifteen percent (15%) lower due to lack of servicing in the area (R1 p. 34).

[9] The Respondent provided four sales, of which two are common with the Complainant. The Respondent asserted that time adjustments must be done and that no equity information was supplied by the Complainant. The four sales, when adjusted, calculate a median of \$284.48 and an average (mean) of \$280.42, which the Respondent concludes, supports the assessment (R1 p. 34):

- I. 5502 56 AV SE utilises 3.11 acres of land equating to 12.85% site coverage, has 19,957 square feet of assessable area and was built in 1997 with 30% finish. This property sold in May 2010 with a time adjusted value of \$192.92 per square foot.
- II. 5545 52 AV SE utilises 3.83 acres of land equating to 10.33% site coverage, has 14,250 square feet of assessable area and was built in 1996 with 18% finish. This property sold in July 2011 with a time adjusted value of \$287.90 per square foot.
- III. 3652 44 AV SE utilises 4.33 acres of land equating to 3.00% site coverage, has 13,340 square feet of assessable area and was built in 1999 with 82% finish. This property sold in March 2012 with a time adjusted value of \$359.82 per square foot.
- IV. 5420 53 AV SE utilises 3.05 acres of land equating to 8.34% site coverage, has 11,080 square feet of assessable area and was built in 1998 with 21% finish. This property sold in July 2010 with a time adjusted value of \$281.05 per square foot.

[10] The Respondent provided four equity comparables as well to establish the assessment is correct (R1 p. 36):

- I. 5502 56 AV SE utilises 3.11 acres of land equating to 12.85% site coverage, has a footprint of 17,378 square feet with 19,957 square feet of assessable area and was built in 1997 with 30% finish. This property is assessed at a value of \$204.26 per square foot. A land adjustment is made on this assessment of \$1,041,409 to recognise the value of the extra land. Testimony is that the Assessment to Sales Ratio [ASR] for this property is 1.06.
- II. 5545 52 AV SE utilises 3.83 acres of land equating to 10.33% site coverage, has a footprint of 14,250 square feet as well as 14,250 square feet of assessable area and was built in 1996 with 18% finish. This property is assessed at a value of \$282.93 per square foot. No adjustment is made on this assessment for the extra land. Testimony is that the Assessment to Sales Ratio [ASR] for this property is 0.98.
- III. 3652 44 AV SE utilises 4.33 acres of land equating to 3.00% site coverage, has 13,340 square feet of assessable area and was built in 1999 with 82% finish. This property is assessed at a value of \$355.41 per square foot. A land adjustment is made on this assessment of \$2,279,228 to recognise the value of the extra land. Testimony is that the Assessment to Sales Ratio [ASR] for this property is 0.99.
- IV. 5420 53 AV SE utilises 3.05 acres of land equating to 8.34% site coverage, has 11,080 square feet of assessable area and was built in 1998 with 21% finish. This property is assessed at a value of \$302.72 per square foot. No adjustment is made on this assessment for the extra land. Testimony is that the Assessment to Sales Ratio [ASR] for this property is 1.08.

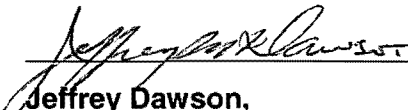
Board's Reasons for Decision:

[11] The Board found the sale at 4076 96 AV SE to be the best comparable. The sale utilises 4.08 acres of land versus 4.28 acres within the subject. The sale and the subject calculate similar site coverage at 7.60% and 7.89%. The sale has 15,000 square feet of assessable area while the subject is a comparable 16,915 square feet. Both are of the same era with the sale built in 2003 and the subject built in 2006. The sale has 20% office finishing and the subject has 21% finish.

[12] The Board accepted the time adjustments provided because they were used by both parties and with the comparable property at 4076 96 AV SE selling during the valuation period in November 2011 for a value of \$180 per square foot, a minimal time adjusted is required to arrive at a value of \$183 per square foot.

[13] The Board accepted the testimony of the Respondent which indicated a fifteen percent adjustment is required on properties within South Foothills. Adjusting the \$183 sale value by dividing by .85 arrives to a value of \$215 per square foot. No adjustment for the extra land is required because both the sale and the subject have a similar 8% site coverage. With 16,915 square feet the assessment calculates to \$3,636,725 which has been truncated to \$3,630,000

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