



## **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:**

***Foothills Equities 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:** 116027608  
**LOCATION ADDRESS:** 7505 48 ST SE  
**FILE NUMBER:** 73691  
**ASSESSMENT:** \$44,690,000

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 three industrial warehouse buildings, located in the Foothills Industrial district of SE Calgary and is zoned Industrial-General. According to the information provided, the first building is a multi-tenanted warehouse (IWM) and has an assessable area of 91,791 square feet (sf), was constructed in 1992 and has an office finish ratio of 10%. The second building is also an IWM, has an assessable area of 248,485 sf, was constructed in 1992 and has an office finish ratio of 5%. The third building is a single-tenanted warehouse (IWS), has an assessable area of 267,963 sf, was constructed in 1992 and has an office finish ratio of 19%. The buildings are situated on an assessable land area 25.58 acres, with a site coverage of 53%.

[3] The subject is assessed using the Direct Sales Comparison Approach to value. The first building is assessed at a rate of \$89.83 per sf, the second building is assessed at a rate of \$77.75 per sf and the third building is assessed at a rate of \$63.92 per sf, resulting in an aggregate assessment of \$73.48 per sf. Although it is not apparent in the assessment calculation, the Assessment Explanation Supplement indicates a multi-building adjustment for this site.

**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 aggregate assessment per sf applied to the subject property is inequitable with the assessments of other similar and competing properties.

**Complainant's Requested Value: \$40,890,000**

**Board's Decision:**

[5] The complaint is denied and the assessment is confirmed at \$44,690,000.

**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 aggregate assessment per sf applied to the subject property is inequitable with the assessments of other similar and competing properties.**

**Complainant's Position:**

[7] The Complainant provided a 81 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] Overhead maps of the subject and neighbouring properties. The Complainant highlighted that a neighbouring property, "kitty-corner" (KC) from the subject, will be his best equity comparable in his equity analysis.

[9] A chart of three equity comparables to the subject, including the aforementioned KC property. All of the equity comparables were IWM properties. The equity comparables had land areas ranging from 9.67 acres to 12.87 acres, with the median being the KC property at 10.97 acres. The buildings had a year of construction range from 1991 (the KC property) to 1996, site coverage ranging from 59% (the KC property) to 63%, assessable building areas ranging from 264,668 sf to 338,394 sf, with the median being the KC property at 293,761 sf. The buildings had office finish percentages ranging from 2% to 24%, with the median being the KC property at 13%. The 2013 assessment per sf ranged from \$69.85 (the KC property) to \$75.45, with a median of \$73.82. The Complainant highlighted that the subject property's assessment rate on the first and second buildings was inequitable to the most comparable neighbouring property's assessment rate of \$69.85. The Complainant requested that the \$69.85 assessment rate of the KC property be applied only to the first and second building with the third building remaining assessed at \$63.92 per sf.

**Respondent's Position:**

[10] The Respondent provided a 58 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 duplicative chart of the Complainant's three equity comparables highlighting the fact that all of the Complainant's comparables were from single building sites, unlike the subject.

[12] A chart of three multi-building equity comparables, all of which were of similar size to the subject's larger buildings. All of the comparables were IWM buildings. The equity comparables had land areas ranging from 15.30 acres to 25.96 acres, with buildings that were constructed from 1995 to 2005. They had site coverage ranging from 57.99% to 60.11%, assessable building areas ranging from 221,110 sf to 276,991 sf and office finish percentages ranging from 2% to 3%. The Respondent provided an assessment rate per sf calculation for each comparable, ranging from \$76.82 to \$89.07.

[13] A chart of five multi-building equity comparables, all of which were of similar size to the subject's smaller building. One of the comparables was an IWM building, while the others were IWS buildings. The equity comparables had land areas ranging from 8.44 acres to 23.62 acres, with buildings that were constructed from 1973 to 1998. They had site coverage ranging from 22.91% to 60.11%, assessable building areas ranging from 71,164 sf to 106,991 sf and office finish percentages ranging from 7% to 39%. The Respondent provided an assessment rate per sf calculation for each comparable, ranging from \$74.72 to \$99.37.

#### **CARB Findings:**

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

[15] That the first equity comparable of the Respondent's larger building comparables, with a building that was constructed in 2005, is not comparable to the subject's two larger buildings, constructed in 1992 on the basis of construction age.

[16] That the KC property comparable contains a larger building and higher site coverage, which could account for its lower assessment rate per sf.


[17] That the median assessment rate per sf of the Complainant's equity comparables supports the current aggregate assessment rate of the subject. Moreover, the acceptance of the Complainant's assessment per sf request would result in a lower aggregate assessment for the subject property than his best comparable (the KC property).

[18] That the median of the combined equity comparables of both parties excluding the Respondent's comparable with a building that was constructed in 2005, would support the current aggregate assessment of the subject.

#### **Board's Reasons for Decision:**

[19] The CARB is not compelled to alter the current assessment on the basis of one equity comparable's assessment rate. The ranges and median assessment rates of the combined equity comparables (save the comparable of the Respondent with a building constructed in 2005) of both parties support the subject's aggregate assessment rate.

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:**

<b>NO.</b>	<b>ITEM</b>
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)**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>	<b>Column 5</b>
CARB	Warehouse	Multi Tenant	Sales Approach	