

## **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:**

***ENERSUL INC.,  
(as represented by Altus Group),  
COMPLAINANT***

**and**

***The City Of Calgary,  
RESPONDENT***

**before:**

***R. Glenn, PRESIDING OFFICER  
H. Ang, BOARD MEMBER  
J. Massey, 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 2014 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>201582152</b>
<b>LOCATION ADDRESS:</b>	<b>7210 Blackfoot TR SE</b>
<b>FILE NUMBER:</b>	<b>74977</b>
<b>ASSESSMENT:</b>	<b>\$8,320,000</b>

This complaint was heard on Monday, the 23rd day of June, 2014 at the offices of the Assessment Review Board located at Floor Number 4, at 1212 – 31 Avenue NE, Calgary, Alberta, in Boardroom 4.

Appeared on behalf of the Complainant:

- D. Mewha, Agent, Altus Group

Appeared on behalf of the Respondent:

- Y. Wang, Assessor, The City of Calgary
- I. McDermott, Assessor, The City of Calgary

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

[1] There were no questions of Jurisdiction or Procedure raised prior to, or during the hearing.

**Property Description:**

[2] The subject property is a 4.20 acre parcel of land with a two building improvement, Year of Construction(YOC):1970, and 1971, "C" quality buildings, comprising 67,280sf (square feet), with the older building having 65% finish, the newer one having 17% finish, and a total site coverage of 26.28%, currently used as an industrial warehouse and office, located just off Blackfoot Trail on 71<sup>st</sup> Ave SE.

**Issue:**

[3] Whether or not the subject property has been properly assessed, using the Direct Sales Comparison approach.

**Complainant's Requested Value: \$6,590,000**

**Board's Decision:**

[4] The Board reduced the assessment of the subject to: \$6,860,000.

## Position of the Parties

### Complainant's Position:

[5] The Complainant provided four sales comparables, and four equity comparables. For much of their argument, the Complainants relied on **CARB 72157-2013-P** which deals with the same subject property in 2013. The main point of their argument was that the two buildings on the subject property were similar to one larger building with the same assessable area. A prospective buyer would be looking at the total area, not the number of buildings. The Complainant's comparables included properties with an assessable area similar to the subject combined assessable area. In addition, the Complainant provided a considerable amount of detail regarding their comparables.

[6] The Complainant went on to argue that the City ASRs (Assessment to Sales Ratios) for multiple building properties have not been in the 0.95 – 1.05 range which indicates consistency in assessments. They say that the ASRs have a wide lower and upper range indicating they are not equitable for all similar properties.

[7] The Median Time Adjusted Sale Price for the Complainant's sale comparables was, \$102/sf.

[8] The Complainant's equity comparables, all of which were quite similar to the subject, showed an assessment value per square foot that was substantially less than the subject assessment.

[9] The Complainant provided a rebuttal brief questioning the validity of some of the values and the comparability of these properties to the subject.

### Respondent's Position:

[10] The Respondent argued that the City assesses each building separately, adjusting for the multiple building component, and then adds the values together to assess a value. The Respondent also provided a list of both equity and sales comparables. Surprisingly, both parties chose the same property as their best sales comparable. The Respondent's sales comparables were a mix of single and multi-tenant properties.

[11] All of the Respondent's equity comparables were much smaller than the subject, most being half the subject size, or less. The Respondent reiterated that multi-building sites should be compared to multi-building sites, especially because multi-building sites are discounted, whereas, single building sites are not. At the same time they note that all of the Complainant's equity comparables are single building sites.

[12] The Respondent also provided a list of equity comparables with buildings slightly smaller to similar in assessable building area ( with the exception of 7023 5<sup>th</sup> St SE) to the subject buildings, that were also from multi-building properties (page 27 of R-1).

[13] The lot sizes of these equity comparables range from 2.99 to 14.46 acres, with 18.01% to 26.72% site coverage. All the properties were within the Central Area. Assessed rates for these properties range from \$113.3/sf to \$138.26/sf with a median of \$128.91sf.

[14] They also admit that all of their own equity comparables are single building sites. They complete their argument by stating that "we have identified the particulars and comparable characteristics", suggesting that their argument was a complete commentary, and they need not argue more.


**Board's Reasons for Decision:**

[15] After due deliberation of the equity and sales arguments and evidence presented, the Board, relying mainly on the Complainant's evidence, found that location (the subject being located in the Central region), was a prime factor in arriving at a proper rate per square foot on the subject property. Considering all of the evidence before the Board, a rate of \$102/sf was found to be appropriate.

[16] With the subject having a size of 67,280 sf, the appropriate assessment should be: 67,280 sf X \$102/sf = \$6,862,560, or rounded to: \$6,860,000. The subject assessment is herewith reduced to: \$6,860,000.

DATED AT THE CITY OF CALGARY THIS 23 DAY OF

*July* 2014

  
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R. Glenn  
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

*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 Administrative Use Only**

Appeal Type	Property Type	Property Sub-type	Issue	Sub-issue
CARB	Warehouses	Multi-building	Market Value	Sales or Equity Approach