



## **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:**

**AIRSTATE LTD.,  
(as represented by Altus Group),  
COMPLAINANT**

**and**

**The City Of Calgary,  
RESPONDENT**

**before:**

**R. Glenn, PRESIDING OFFICER  
B. Bickford, BOARD MEMBER  
Y. Nesry, 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>091098400</b>
<b>LOCATION ADDRESS:</b>	<b>1360 HIGHFIELD CR SE</b>
<b>FILE NUMBER:</b>	<b>75413</b>
<b>ASSESSMENT:</b>	<b>\$20,640,000</b>

This complaint was heard on Wednesday, the 30<sup>th</sup> day of July, 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:

- T. Luchak, Assessor, The City of Calgary

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

[1] There were no questions or issues of Jurisdiction or Procedure raised prior to, or during the hearing. There were no objections voiced to the composition of the Board as it was then constituted. The parties mutually requested that the argument and discussion from CARB 75566P-2014 be carried forward and incorporated in the argument and evidence in this matter.

**Property Description:**

[2] The subject property is a 10.99 acre parcel of land with a two building improvement used as Industrial Warehouses with a single tenant, Year of Construction (YOC): one building: 1995, the other: 1999, both of "B" quality and comprising an assessable total of 193,735 sf (square feet), located in the sub-market "NONRES HF2" with an I-G Land Use Designation, located in the Central Region in the community of Highfield

**Issue:**

[3] Whether or not:

- (a) the subject property has been properly assessed according to the market value;
- (b) the subject property has been equitably assessed;

**Complainant's Requested Value: \$16,854,945**

**Board's Decision:**

[4] The Board confirmed that the assessment did reflect proper market value and, further that the subject had been equitably assessed.

**Complainant's Position:**

[5] In argument the Complainant suggested that the subject was improperly assessed based on the comparables they provided. They acknowledged that the subject had a 40% site coverage. The fact that a portion of the subject property was a large steep hill behind the buildings which would not support development was for them not a factor pursued here. The site coverage figures here are based only on usable area of the subject parcel.

[6] The Complainant provided a table of seven industrial warehouse single tenant equity comparables which also contained median information. They did not provide any sales comparables. The subject had a parcel size of 10.99 acres and a YOC of 1997, whereas the median parcel size of the comparables was 11.19 acres with a median YOC of 1996. The subject was in the Central Region, and all of the comparables were in the South East Region.

[7] The subject had a 2% finish and a site coverage of 40.31%, whereas the Comparables had a median finish of 5% and a median site coverage of 42.5%. The subject was assessed in 2014 at \$107/sf and the median of the comparable's 2014 assessment was \$87/sf.

[8] The Complainant also argued (based on CARB 1792P-2012) that the comparables provided must relate to the aggregate size of the subject buildings, and treating each of the buildings which comprise the subject property as if they were separate entities was not acceptable.

[9] On cross examination, the Complainant suggested that there were no large single tenant warehouses in the Central Region similar to the subject, hence, sales comparables from within the region were not available. They say that they had to go outside the region (to the South East Region) to get any comparables.

**Respondent's Position:**

[10] The Respondent argued, that the Complainant had not established a prima facie case based on CARB 1825P-2012, thereby suggesting that the hearing need not proceed. The Board did not accept this argument, and the hearing proceeded.

[11] The Respondent did provide a number of single and multi tenanted sales comparables. The Respondent agreed that there was a distinct lack of sales of single tenant industrial warehouses in the Central Region, but they also stated that single tenant warehouses in the Central Region would not sell for the same amount per square foot as similar properties in the South East Region. The suggestion was that Central Region properties would sell for more than South East Region properties.

[12] The Board noted that all of the Respondent's comparables were in either the Central Region, or the South East Region. The Board queried how the City arrives at the value of property if there are no sales to rely on. The Respondent answered that by using assumptions in their regression analysis model, saying they can provide an accurate estimate of the value.

**Board's Reasons for Decision:**

[13] The Board carefully considered the argument and evidence of both parties. After such consideration, the Board found that the evidence presented by the Complainant was not

adequate to convince the Board that a reduction was warranted. In addition, the evidence of the Respondent was much stronger.

[14] The Complainant did not provide any market evidence. Although the Complainant did provide some equity comparables, these were simply not enough to show the Board that the subject assessment was incorrect or in need of a change.

[15] To answer the issues as originally stated, there was not adequate evidence to show that the subject was assessed at other than market value, nor was there enough evidence to show the subject had not been equitably assessed.

[16] The subject assessment is herewith confirmed at \$20,640,000.

  
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DATED AT THE CITY OF CALGARY THIS

4<sup>th</sup>

DAY OF

September

R. Glenn

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 Administrative Use Only**

Appeal Type	Property Type	Property Sub-type	Issue	Sub-issue
CARB	Industrial Warehouse	Single Tenant	Market Value	Equitable Assessment