



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:

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

and

**The City Of Calgary,
RESPONDENT**

before:

**R. Glenn, PRESIDING OFFICER
Y. Nesry, BOARD MEMBER
B. Bickford, 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:

ROLL NUMBER:	201768686
LOCATION ADDRESS:	1401 Hastings CR SE
FILE NUMBER:	75415
ASSESSMENT:	\$21,060,000

This complaint was heard on Wednesday, the 30th 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 either Jurisdiction or Procedure raised prior to, or during the hearing. Also, there were no objections to the composition of the Board as it was then constituted. The parties mutually requested that the argument and evidence from CARB 75566P-2014 also be carried forward and applied to this file. The Board so ordered.

Property Description:

[2] The subject property is a 15.58 acre parcel of land with a three building improvement used as an industrial warehouse with multiple tenants, Year of Construction (YOC): one single tenant warehouse building: 1972, another single tenant warehouse building: 1973, and a multi tenant warehouse building: 1974, all of "C" quality and all comprising a total of 274,511sf (square feet) of assessable area, located in the sub-market "NONRES HF 1" with an I-G Land Use Designation, located in the community of Highfield. The shape of the subject is quite unusual, in that the improvements are located at each end of a barbell shaped land parcel which does not allow for easy internal access from one end of the subject to the other.

Issue(s):

[3] Whether or not:

- (a) the subject property has been assessed equitably;
- (b) the subject property has been properly assessed using the direct sales comparison approach;
- (c) the subject property has been properly assessed so that it fits within the appropriate ASR (assessment to sales ratio) range.

Complainant's Requested Value: \$17,568,704

Board's Decision:

- [4] The Board confirmed that the subject:
- (a) had been properly and equitably assessed,
 - (b) the direct sales comparison approach had been properly utilized,
 - (c) that the subject property would most likely fit within the appropriate ASR.
- As a direct result, the Board confirmed the subject assessment.

Complainant's Position:

- [5] In argument and evidence, the Complainant presented five sales comparables and all of their relevant details, most of which had substantially less land area, and were much smaller in assessable building area. The comparables were approximately the same age, with similar or larger site coverage and most had much less finish.
- [6] The subject was assessed at \$77/sf, whereas, most of the comparables were assessed at considerably less. The same sales comparables were used in CARB 75566P-2014
- [7] Where the subject has an assessable area of 274,511sf, the median of the comparables was 154,568 sf. Where the subject had site coverage of 39.88%, the median of the comparables was 56% site coverage. The subject had a 19% finish, and the comparables had a median finish of 9%.
- [8] The comparables had a median TASP (time adjusted sale price) of \$72/sf, and a median assessment of \$64/sf.
- [9] The Complainant mentioned equity in their initial issue statement, but they did not argue or really advert to equity subsequently in this matter. There was some mention of equity and equity comparables in CARB 75566P- 2014, but it was limited.

Respondent's Position:

- [10] The Respondent argued that because of the unusual shape of the subject land parcel, the City had immediately without more, afforded a 5% reduction in the overall assessment. The Respondent reiterated some of the Complainant's comparables, arguing that one particular comparable of the Complainant located at: 6810-40 St SE should not be considered, because it was part of a portfolio sale, and the building needed major repairs, including the demolition of a portion of the building.
- [11] In support of this, the Respondent included information regarding building permits that the current management had initiated for the building, which included replacement of the sprinkler system, partial demolition, leasehold improvements and interior improvements, with a projected total value of \$1,772,939.
- [12] In addition to all of the foregoing, the owner of the property at 6810-40 St SE forwarded to the City, a full narrative appraisal done in May of 2013 indicating a value of \$12,100,000.
- [13] The Respondent also provided their own chart of sales comparables. All of these comparables had a much smaller parcel size, and assessable building area, as well as similar dates of construction. All were in the Central Region. They had a similar percentage of finish,

and most had a larger site coverage. The Respondent's comparables supported a much higher TASP than the Complainant suggested.

[14] The Respondent also provided their own chart of equity comparables which they say casts some considerable doubt on the Complainant's equity comparables from CARB 75566P-2014.

Board's Reasons for Decision:

[15] The Board carefully considered the full argument and evidence of both parties. After such consideration, the Board found that the Complainant's comparable located at 6810-40 St SE should not be considered as a proper comparable, and so eliminated it from subsequent consideration. Even so, that comparable did not realistically support the Complainant's position.

[16] The Complainant's sales comparables were of such a variety that they did not convince the Board that a reduction in the assessment was indicated. They simply were not close enough to the actual parameters of the subject.

[17] In addition, the equity comparables provided by both parties (noting the carry forward request for CARB 75566P-2014), provide a reasonable range of values for the larger buildings of the subject. The Board was not able, based on equity, to find a proper reason to order a reduction of the subject assessment.


[18] Based on the evidence presented, the Board found that the subject assessment fairly reflected the market value of the subject.

[19] To answer all of the issues directly, the findings of the board are that:

- (a) the Complainant did not prove the assessment was not equitable;
- (b) the Complainant did not prove that the subject was improperly assessed utilizing the direct sales comparison approach;
- (c) the subject did not sell so, it would not have an ASR.

[20] Accordingly, the subject assessment is herewith confirmed in the amount of \$21,060,000.

DATED AT THE CITY OF CALGARY THIS 4 DAY OF September 2014



R. Glenn
Presiding Officer

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

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

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Appeal Type	Property Type	Property Sub-type	Issue	Sub-issue
CARB	Industrial Warehouses	Multi Tenant and Single Tenant	Market value	Equitable Assessment