

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:

**CALGARY INDUSTRIAL PROPERTIES LTD.,
(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:

ROLL NUMBER:	090075607
LOCATION ADDRESS:	521-36th Ave SE
FILE NUMBER:	75611
ASSESSMENT:	\$11,730,000

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 6.15 acre parcel of land with a three building improvement, Year of Construction (YOC):1972, "C" quality buildings, comprising 122,740sf (square feet), with some portion being exempt, with a site coverage of 45.33%, currently used as industrial warehouses, demised into 29 units, located between 36TH and 38A Ave, near 5th St SE, backing onto railroad tracks, in Manchester Industrial.

Issue:

[3] Whether or not the subject property has been equitably assessed, compared to similar and competing properties.

Complainant's Requested Value: \$9,450,000

Board's Decision:

[4] The Board reduced the assessment of the subject to: \$10,260,000.

Position of the Parties

Complainant's Position:

[5] The Complainant provided five equity comparables all of which were quite similar to the subject, in order to show that the subject was not equitably assessed. They specifically noted two particular comparables as their best comparables and mentioned an environmental concern adjustment on one of them.

[6] They went on to argue, relying on CARB 0735-2012-P, that the subject buildings should be valued as if they were one building (not three separate buildings). All three of the buildings are located on one common site with one common legal description. It would not be possible to sell any of the three buildings separately.

[7] The Complainant also argued, based on CARB 0717-2012-P, that they need not establish a market value for the subject property before they argue an equity approach to the subject assessment.

[8] The Complainant summarized their argument by stating that their comparables were much more similar to the subject than those of the Respondent, and that the matter should be decided on the basis of equity, not market value. In rebuttal, they also reiterated that the Respondent's sales comparable ASRs were too far from an acceptable range, indicating that those sales comparables should not be seriously considered.

Respondent's Position:

[9] The Respondent provided several sale comparables, several equity comparables and a number of ARFIs (Assessment Requests For Information) for their comparables, and a marketing brochure for one of the units in the subject property.

[10] Members of the Board queried why the Respondent had supplied ARFIs, because there was no issue or discussion of rent on the subject. The Respondent answered that the ARFIs were supplied to "differentiate" the properties. The subject's rent range was from \$8.00/sf to \$11.00/sf, while the comparables ranged from \$6.85 /sf to \$7.50/sf to show the comparables were not competing properties.

[11] The Respondent went on to argue that with regard to the Complainant's comparables, any mention of environmental concerns would negate any suitability a property may have as a comparable, and so, any property which has environmental concerns cannot possibly be a proper comparable. The Respondent's argument regarding single building comparables and multi-building comparables was also advanced where they provided three multi-building sales with Time Adjusted Sale Prices of \$126.95/sf, \$165.70/sf, and \$133.03/sf, respectively.

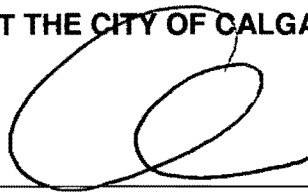
[12] The Respondent summarized their argument stating that the issue here was really market value and they had provided adequate evidence to confirm the same and as a result, the subject assessment was correct.

Board's Reasons for Decision:

[13] After due deliberation of the equity argument and evidence of the Complainant and the market value argument and evidence of the Respondent, the Board accepts Complainant's position as being the correct position. The Complainant's position was simply better supported by the argument and evidence presented.

[14] Upon further deliberation and based on the evidence, the Board found that the most appropriate rate for the subject was \$87.00/sf. So, 122,740sf, less the exempt portion, equals 117,940sf X \$87/sf = \$10,260,780. The Board herewith reduces the subject assessment to a rounded figure of \$10,260,000.

DATED AT THE CITY OF CALGARY THIS 23 DAY OF July 2014



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.*

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