

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the business assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

**between:**

***5760 – 9SSE Property Ltd (as represented by Colliers International Realty Advisors Inc.),  
COMPLAINANT***

**and**

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

**before:**

***Board Chair, Earl K Williams  
Board Member, R Roy  
Board Member, D Steele***

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 2012 Assessment Roll as follows:

**ROLL NUMBER: 100012301**

**LOCATION ADDRESS: 5760 – 9 St SE**

**HEARING NUMBER: 66206**

**ASSESSMENT: \$14,880,000**

**ASSESSMENT ON BUILDING AREA: \$82.38 PER SQUARE FOOT**

This complaint was heard on 25 day of June, 2012 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- A Farley

Appeared on behalf of the Respondent:

- K Buckry
- L Chang

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

- [1] No Procedural or Jurisdictional Matters were raised by the parties.

**Property Description:**

[2] The subject property located at 5760 9 Street SE is a 180,626 square foot (sq ft) multi-bay warehouse/office built in 1973 on 11.71 ac of land with a 30.33% site coverage located in the Central Industrial Zone. The property has an Industrial Property Use and Subproperty Use IN0701 Multi-Bay Warehouse. The property is built at the base of the escarpment between Blackfoot Trail and 11 Street SE. The escarpment is within the subject property line and limits expansion or development.

**Issues:**

[3] The assessed value is not fair and equitable based on sales of comparable properties in the immediate vicinity of the subject. Further the impact of the escarpment on the subject property was not recognized in determining the assessment.

**Complainant's Requested Value:** \$11,740,000 which is \$65.00 per square foot of building area

**Board's Decision in Respect of Each Matter or Issue:**

[4] The Complainant and Respondent presented a wide range of evidence consisting of relevant and less relevant evidence.

[5] The Complainant's evidence package included a Summary of Testimonial Evidence, the completed Assessment Complaints Agent Authorization form, the completed complaint form, the City of Calgary 2012 Property Assessment Notice, a site plan, photographs of the subject property, information on sale and equity comparable properties including a map identifying the location of the sale comparables and the City of Calgary's adjustment factors utilized to calculate a Time Adjusted Sale Price.

[6] The Respondent's evidence package included a Summary of Testimonial Evidence; the 2012 Assessment Explanation Supplement for the subject property, a map identifying the location of the subject property, photographs of the subject, the Real Net Industrial Transaction

Summary for the April 2008 sale of the Subject, information on sales and equity comparables, copy of the Calgary Assessment Review Board ("CARB") Decision 1854/2011-P related to the subject property.

### Complainant

[7] The Complainant presented on page 18 of Exhibit C-1 a table titled "Southeast Sales-100,000-200,000 sq ft-older than 1980" with details related to building area, sale price, assessment and age for 4 Industrial Property Class, Industrial-General (I-G) Land Use sales which were argued as comparable to the subject. The table was supported by photos of the comparables and a map identifying their location relative to the Subject property. The sale price for the 4 comparables ranged from \$63 to \$78 per square foot (psf) and the assessment ranged from \$65 to \$68 psf.

[8] A review of the details in the table determined that the transaction date for 2 of the comparables was July 27, 2011 which meant they were *post-facto* and should be excluded from the further consideration.

[9] The following table presents particulars on the two comparables which are not *post-facto* and are located in the vicinity of the subject.

Address	Transaction Date	AYOC*	Bldg Size (sq ft)	Sale Price per square foot
303 58 Ave SE	2010-04-20	1970	133,325	\$66.00
415 Manitou Rd SE	2011-01-20	1966	121,622	\$65.00

\*AYOC – Approximate Year of Construction

[10] The Complainant presented on page 26 of Exhibit C-1 a City of Calgary Assessment table titled "2011 Industrial Equity Comparables". The building value for the 5 equity comparables expressed as a rate psf ranged from \$73 to \$98. The best comparable on the basis of location, site coverage expressed as a percentage (%), AYOC, building type and finished % was 303 58 Ave SE which has a rate of \$73 psf.

[11] In response to the Respondent's inclusion in their evidence the details on the 2008 purchase of the Subject property for \$16,000,000 the Complainant presented in evidence Exhibit C-2 the monthly factors utilized by the City of Calgary to calculate the Time Adjusted Sale Price ("TASP") for a property. The Complainant advised that when the factors are applied to the 2008 purchase price the May 2011 TASP is \$12,520,000 which is \$69.31 psf. based on the building area.

[12] The Complainant argued that the influence of the escarpment on the utilization of the property, which is shown in the photograph on page 16 of Exhibit C-1, was not recognized in the assessment.

[13] In summary the Complainant argued that the evidence presented supports an assessed value of \$10,300,000 or \$57.00 psf of building area.

### Respondent

[14] The Respondent presented the Real Net Industrial Transaction Summary for the April 2008 sale of the subject property for \$16,000,000 which based on the total building area of 180,626 sq ft is \$88.58 psf. The 2012 Industrial Assessment Explanation Supplement reports the value psf to be \$82.43 based on the assessment of \$14,888,334.

[15] In support of the assessment of \$82.43psf the Respondent presented sales comparables on page 26 and equity comparables on page 28 of Exhibit R-1. The TASP price for

the 2 sales comparables of \$62.95psf and \$63.17psf were compared to the subject property assessed value of \$82.43psf and were clearly not strong sales comparables to the subject property.

[16] The two equity comparables had assessment rates of \$77.73psf and \$86.78psf. It was the position of the Respondent that the equity comparables clearly supported the assessment of the subject property.

[17] As further support the Respondent directed the Board to review CARB 1854/2011-P which supported the 2011 assessment of the subject property.

#### **Board Findings**

[18] It was the view of the Board that the Complainant's 2 sales comparables on the basis of location, AYOC, building size, Property Class and Land Use were very comparable to the subject property. The sale price was reported to be \$65psf and \$66psf.

[19] Of the 5 equity comparables used by the Complainant two compared favourably to the Subject. One comparable was a sales and an equity comparable used by both the Complainant and the Respondent. This equity comparable, 303 58 Ave SE, is located in the vicinity of the subject and compared favourably on AYOC, Land Use, site coverage, building type, building area and finished % was reported by the Respondent as having an assessed rate of \$77.73psf. The subject property has an assessed rate of \$82.43psf.

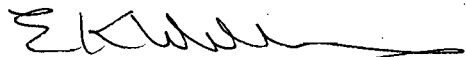
[20] Although the escarpment is located on the Subject property and may have an impact the Complainant was unable to demonstrate the magnitude of impact.

[21] The comparable located at 303 58 Ave SE was used by both the Complainant and the Respondent as a sales and an equity comparable. This property which is a very strong comparable to the subject has a sale price of \$66.00psf and an assessed rate of \$77.73psf. The subject property has an assessed rate of \$82.43psf.

#### **Board's Decision:**

[22] Based on the evidence presented to the Board and the strength of the comparables the assessment is reduced to \$11,740,000 which is \$65.00psf.

DATED AT THE CITY OF CALGARY THIS 28<sup>th</sup> DAY OF August 2012.



**Earl K Williams**  
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.*