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:

Safeway Holdings (Alberta) Ltd., (as represented by MNP LLP), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

L. Wood, PRESIDING OFFICER A. Huskinson, MEMBER R. Kodak, 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 2012 Assessment Roll as follows:

ROLL NUMBER: 116009192

LOCATION ADDRESS: 3700 78 AV SE

HEARING NUMBER: 66554

ASSESSMENT: \$4,710,000

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This complaint was heard on the 18th day of July, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

Mr. M. Uhryn
Agent, MNP LLP

Appeared on behalf of the Respondent:

Mr. I. McDermott
Assessor, City of Calgary

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

[1] There were no procedural or jurisdictional matters raised by the parties during the hearing.

Property Description:

[2] The subject property is a two-storey, multi tenant warehouse (commonly known as the Eljay Building) located in Foothills Industrial. The assessable building area is 48,905 sq. ft. and it is situated on 2.41 acres. The building was constructed in 1980; has 57% finish and a site coverage ratio of 32.02%. The land use designation is I-G, Industrial General. The subject property was assessed on the Direct Sales Comparison Approach at \$96.43 psf.

<u>Issue:</u>

[3] Comparable sales support an assessment less than the subject property's assessment of \$97 psf.

Complainant's Requested Value:

[4] The Complainant requested an assessment of \$4,350,000 or \$89 psf for the subject property.

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

[5] The Complainant submitted five sales comparables of single tenant warehouses located in Foothills Industrial and Fairview Industrial in support of his request (Exhibit C1 page 34). These warehouses were constructed from 1970 - 1983; have assessable building areas of 42,970 - 56,394 sq. ft.; a site coverage ratio of 30.43% - 54.81%; and finish percentage of 8% - 28%. The sales occurred in December 2008 – June 2011 and the sale price ranged between \$83 - \$99 psf (a median of \$89 psf).

[6] The Respondent submitted three sales comparables of single tenant warehouses located in Foothills Industrial in support of the current assessment for the subject property (Exhibit R1 page 20). These warehouses were constructed from 1975 – 1983; have assessable building areas of 38,654 – 55,000 sq. ft.; parcel sizes of 2.42 – 3.76 acres; a site coverage ratio of 20.85% – 38.74%; and finish percentage of 15% – 26%. The sales occurred in August 2008 – April 2011 and have a time adjusted sale price ("TASP") of \$80.82 - \$123.81 psf. The Respondent indicated his best comparable was the property located at 5049 74 AV SE which had sold in April 2011 for \$86.48 psf (TASP).

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[7] The Board finds the best market evidence was the two sales comparables submitted in common by both parties. The Board has set out the particulars of the subject property's assessment and the two sales comparables, in part, as follows:

Subject	Parcel Size	Assessable Building Area (SF)	YOC	Finish %	Site Coverage %	Assessment	Rate PSF
3700 78 AV SE	2.41	48,905	1980	57%	32.02%	\$4,716,046	\$96.43

Location	Parcel Size	Assessable Building Area (SF)	YOC	Finish %	Site Coverage %	Sale Date	Sale Price (\$)	TASP	TASP/ SF
6423 30 ST SE	2.42	42,970	1983	15%	38.74%	14-Aug-08	\$4,200,000	\$3,472,935	\$80.82
5049 74 AV SE	3.76	55,000	1982	26%	30.43%	29-Apr-11	\$4,800,000	\$4,756,582	\$86.48

[8] The Board finds these two sales comparables are most similar to the subject property in terms of location, size, age, and site coverage and provide the best indication of value as they had transacted in the valuation year. The Board recognizes that the subject property has a high degree of finish (57%) in comparison to the two sales comparables (15% and 26% respectively) and that minor adjustments are warranted. However the market evidence indicates the overall assessed rate for the subject property is too high, and, in fact, supports the Complainant's request of \$89 psf. (The Board notes the time adjustments applied by the Respondent were undisputed). The Board has, therefore, reduced the assessment for the subject property to \$89 psf accordingly:

• 48,905 sq. ft. x \$89 psf = \$4,352,545 or \$4,350,000 (truncated)

[9] In addition, the Board finds the assessed rate of \$89 psf for the subject property is further supported by the equity comparables as presented by both parties (Exhibit C1 pages 38 – 52; Exhibit R1 page 22).

Board's Decision:

[10] The decision of the Board is to revise the 2012 assessment for the subject property from \$4,710,000 to \$4,350,000 (truncated).

DATED AT THE CITY OF CALGARY) THIS 27th DAY OF Spend 2012. ana J. Wood Presiding Officer

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APPENDIX "A"

DOCUMENTS PRESENTED AT THE HEARING AND CONSIDERED BY THE BOARD:

NO	ITEM		
1. C1 2. C2 3. R1	Complainant's Evidence Complainant's Rebuttal Respondent's Evidence		

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

Subject	Property Type	Property Sub -Type	lssue	Sub - Issue	
CARB	Warehouse	Warehouse Warehouse Multi Tenant		Land & Improvement Comparables;	
				Equity Comparables.	