

**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:**

***Community Natural Foods 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:

<b>ROLL NUMBER:</b>	<b>200745966</b>
<b>LOCATION ADDRESS:</b>	<b>3905 32 ST NE</b>
<b>HEARING NUMBER:</b>	<b>66561</b>
<b>ASSESSMENT:</b>	<b>\$6,310,000</b>

This complaint was heard on the 18<sup>th</sup> 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 single tenant warehouse located in Horizon. The assessable building area is 46,917 sq. ft. and it is situated on 4.31 acres. The building was constructed in 1996; has 15% finish and a site coverage ratio of 23.93%. The land use designation is I-G, Industrial General. The subject property was assessed on the Direct Comparison Approach at \$134.63 psf.

### Issues:

[3] Comparable sales support an assessment less than the subject property's assessment of \$135 psf.

**Complainant's Requested Value:**

[4] The Complainant requested an assessment of \$4,730,000 or \$101 psf for the subject property.

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

[5] The Complainant submitted eleven sales comparables of single and multi tenant warehouses in support of a reduction to \$101 psf for the subject property (Exhibit C1 pages 30 & 31). These sales occurred between July 2008 – June 2011. The buildings were constructed in 1967 – 1998; have assessable building areas of 39,600 – 59,573 sq. ft.; a site coverage ratio of 23.65% – 54.81%; and finish percentage of 3% – 73%. The sale price was \$83 - \$140 psf, a median of \$99 psf.

[6] The Respondent submitted four sales comparables of multi tenant warehouses located in the NE quadrant to illustrate that older warehouses (20+ years than the subject) sell for less than newer warehouses (\$79.47 - \$100.10 psf) (Exhibit R1 page 89). He submitted two newer single tenant warehouses in support of the current assessment for the subject property. The Board has set out the particulars of those two sales (as one is used in common with the Complainant) in a chart below, for ease of reference.

[7] The Board placed little weight on 10 of the 12 sales comparables utilized in the Complainant's analysis because they are 13 – 29 years older than the subject property and all of them have a lesser quality rating (C, C+, C-) in comparison to the subject property (B). The Board also noted several of these comparables have high site coverage ratios in comparison to the subject property, including one as high as 54.81%. No adjustments were made by the Complainant for age, quality rating or site coverage in order for the Board to draw any conclusions between his sales comparables and the subject property.

[8] The Board has set out the Complainant's sales comparable of 1320 Highfield CR SE as well as the Respondent's sales comparable of 2255 22 ST NE. The Board notes that both parties submitted the property located at 2559 29 ST NE in common.

Subject	Parcel Size	Assessable Building Area (SF)	YOC	Finish %	Site Coverage %			Assessment	Rate PSF
3905 32 ST NE	4.31	46,917	1996	15%	24%			\$6,310,000	\$134.49

Location	Parcel Size	Assessable Building Area (SF)	YOC	Finish %	Site Coverage %	Building Class	Sale Date	Sale Price (\$)	Sale Price PSF
1320 Highfield CR SE	2.00	54,496	1998	20%	23.65%	B	28-Apr-2011	\$7,650,000	\$140
2559 29 ST NE	1.79	42,504	1998	10%	49.43%	B+	29-Jun-2011	\$5,300,000	\$125
2255 22 ST NE	5.76	61,032	1997	23%	24.31%	Not Provided	30-Sep-2008	\$10,860,054	*\$149

\*The Respondent submitted a time adjusted sales price of \$9,117,529 or \$149.39 psf for 2255 22 ST NE.

[9] While the Board recognizes that some adjustments would have to be made to the three sales comparables, it is the best market evidence before the Board. These sales provide a range of values between \$125 - \$149 psf, and the subject property's assessment falls within that range. In reviewing the sales data, the Board notes the property located at 2559 29 ST NE is half the parcel size of the subject property with almost a 50% site coverage ratio and it sold close to the valuation date for \$125 psf. It is arguably an inferior property in comparison to the subject property yet the Complainant is requesting a rate lower than the \$125 psf for the subject property. The Board finds the Complainant's request of \$101 psf is unsupported by the market evidence and does not warrant a change to the subject property's assessment.

[10] In regards to the sale of 2255 22 St NE, the Board notes that the Complainant argued that this is a portfolio sale and it does not reflect market value. He submitted Municipal Government Board ("MGB") Board Order 236/00 in support of his argument (Exhibit C2 pages 10 – 18). The Respondent argued that a portfolio sale can be utilized if it is an arm's length transaction and has an identifiable individual sale price.

[11] The Board appreciates that the MGB had a valid concern regarding a specific portfolio sale that was before it, in determining the fee simple estate for each individual property. As the MGB stated in that decision *"because this sale included multiple properties, all business interests, shares, cash and new and assumed financing, it would be extremely difficult to use this data to determine the fee simple market value of the subject property"* (Exhibit C2 page 16; MGB 236/00 page 7).

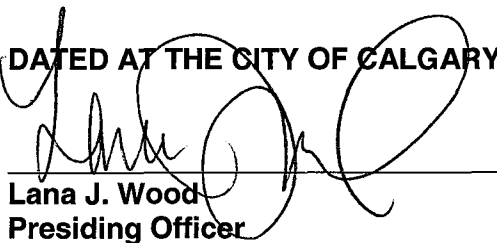
[12] However, in the case at hand, the Complainant provided the Land Titles documents for the portfolio sale between unaffiliated corporations, The Great West Life Assurance Company and Concert Real Estate Corporation (File #65888, Exhibit C2 pages 20 – 28). Those documents include Form 32, Affidavit of Transferee, which indicates the five properties that had sold together (including the property located at 2255 22 ST NE) and the (dollar) value attributed to each property (File #65888, Exhibit C2 page 28). Based on this evidence, the Board is satisfied that the (dollar) value of \$10,860,000 attributed to the property located at 2255 22 ST NE is the fee simple market value of that property.

[13] The Board notes that equity was not identified as an issue by the Complainant; however, the Respondent presented five equity comparables in support of the subject property's current assessment (Exhibit R1 page 11). The Board finds the Respondent's equity comparables are similar to the subject property in terms of age, size, site coverage etc. and further support the subject property's assessment.

**Board's Decision:**

[14] The decision of the Board is to confirm the 2012 assessment for the subject property at \$6,310,000.

DATED AT THE CITY OF CALGARY THIS 27<sup>th</sup> DAY OF September 2012.

  
Lana J. Wood  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant's Evidence
2. C2	Complainant's Rebuttal
3. C2	Complainant's Rebuttal (file #65888)
4. R1	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	Issue	Sub - Issue
CARB	Warehouse	Warehouse Single Tenant	Sales Approach	Land & Improvement Comparables.