

**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:

***Securfund Warehouse Capital Corporation (as represented by Colliers International Realty Advisors Inc.), COMPLAINANT***

and

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

before:

***K. D. Kelly, PRESIDING OFFICER  
K. Coolidge, MEMBER  
J. Rankin, 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>101040608</b>
<b>LOCATION ADDRESS:</b>	<b>6130 – 4 ST SE</b>
<b>HEARING NUMBER:</b>	<b>66191</b>
<b>ASSESSMENT:</b>	<b>\$5,750,000</b>

This complaint was heard on 7th day of August, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- *Mr. T. Howell – Colliers International Realty Advisors Inc.*

Appeared on behalf of the Respondent:

- *Mr. J. W. Ehler - Assessor – City of Calgary*

**REGARDING BREVITY:**

[1] The Composite Assessment Review Board (CARB) reviewed all the evidence submitted by both parties. The extensive nature of the submissions dictated that in some instances certain evidence was found to be more relevant than others. The CARB will restrict its comments to the items it found to be most relevant.

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

[2] None.

**Property Description:**

[3] The subject is a 66,560 square foot (SF) 1971 multi-tenant industrial warehouse on 3.43 acres (Ac.) of land in the Manchester industrial area. The subject has 66,292 SF of assessable space, 28% finish, 44.5% site coverage, and is valued at \$86.78 per SF for an assessment of \$5,750,000.

[4] **Issue:**

What is the correct market value of the subject based on the sales comparison approach?

[5] **Complainant's Requested Value:** \$5,300,000.

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

[6] The Complainant provided his Brief C-1 and offered a matrix of 3 unadjusted market sales of industrial properties which he argued were comparable to the subject and reflected lower per SF values than that used to assess the subject. His first property comparable, located at 7475 Flint RD SE, sold in June 2011 at \$79 per SF. His second comparable at 1939 Centre AV SE sold in April 2011 for \$64 per SF. And his third comparable at 4020 – 9 ST SE sold in March 2011 for \$80 per SF. He argued that based on the median value of the three sales, \$80 per SF is a more correct value to be applied to the subject for assessment purposes.

[7] The Complainant provided the RealNet transaction sheets for all three of his market sales, as well as a map outlining the respective locations of each comparable, and their general locations relative to the subject.

[8] The Complainant noted that in reviewing and comparing the evidence in the City's Brief R-1, which also referenced the Complainant's three market sales comparables, there appeared to be a slight difference in building size for the first and third comparables. In the first comparable at 7475 Flint RD SE, the Complainant reported 54,051 SF of building area whereas the Respondent reported 52,060 SF. In the third comparable at 4020 - 9 ST SE, the Complainant reported 83,255 SF whereas the Respondent reported 80,170 SF. The Complainant provided his rebuttal document C-2 containing the RealNet sheets for the two sales which, he argued, confirmed the building area values he reported in his matrix.

[9] The Complainant posed that this "best" comparables were the 7475 Flint RD SE and 4020 - 9<sup>th</sup> ST SE sites because the individual characteristics of each of them closely matched each other and the subject. He requested that the assessment be reduced to \$5,300,000.

[10] The Respondent clarified that the City's building measurements are taken directly from the building plans for any assessed property. He argued that the Board should generally not rely upon RealNet data as being as definitive as the City's measurements, which he argued are inherently more reliable. Therefore, he argued, the indicated property values deduced from the City's measurements for assessment purposes, are supported by measured statistics.

[11] The Respondent argued that the Complainant's second market sale at 1939 Centre AV. SE is not comparable to the subject because it is an operating dairy and was assessed using the "Cost Approach to Value" methodology and not the "Sales (Market) Approach" like the subject. In addition, the Respondent noted that this operating dairy complex is situated on two legal lots and straddles the property line between them. He considered this to be an abnormal situation. He provided the City's "Property Assessment Detail Report" confirming the use and other details regarding the site

[12] The Respondent also argued that the Complainant's remaining two sales, while certainly valid sales, are not fully comparable to the subject as presented, because certain of their individual characteristics – i.e. level of finish; site coverage, - key value indicators, have not been adjusted. He argued that according to accepted appraisal practice, certain adjustments must be made to property comparables in order to properly and accurately compare them to each other and to the subject.

[13] The Respondent argued that with respect to the City's list of industrial property market sales, its computerized assessment model has calculated and applied the required adjustments to his property comparables – and all others, but the Complainant has not accounted for or made any adjustments to his property comparables whatsoever. Therefore, he argued, the Complainant's property comparables are unreliable as indicators of value for the subject.

[14] The Respondent provided a matrix containing three fully-adjusted property sales comparables, two of which were used by the Complainant, (4020 9 ST SE and 7475 Flint RD SE). All were assessed using the Sales Approach like the subject. He noted that the three properties exhibited sale values ranging from \$82.35 to \$108.33 per SF. He noted that the subject fit well within this range at \$86.78 per SF.

[15] The Respondent argued that when one considers the two “best” of the Complainant’s three sales, and the Respondent’s three fully-adjusted sales, all five sales create a range of values which support the assessment.

[16] The Respondent requested that the assessment be confirmed.

**Board Findings**

[17] The Board finds that the Complainant’s sale comparable at 1939 Centre AV SE is not comparable to the subject because, unlike the subject, it is a unique functioning dairy complex, assessed using the Cost Approach to Value and not the Sales Approach to Value like the subject.

[18] The Board finds that the Complainant’s remaining two sales comparables have not been adjusted either for time, or for differing property characteristics such as level of finish and site coverage, and thus the Board considers them to be unreliable as indicators of alternate value for the subject.

[19] The Board finds that the Respondent’s three market sales comparables display individual site characteristics (i.e. building size; site coverage; building age; etc) which more closely match each other and the subject, and hence support the assessment of the subject.

[20] The Board finds that the property statistics presented by the Respondent are taken from measured building plans and therefore the Board accepts that, in lieu of any other similar data provided by the Complainant, they are a reliable indication of correct assessable areas.

**Board’s Decision:**

[21] The assessment is confirmed at \$5,750,000.

DATED AT THE CITY OF CALGARY THIS 4 DAY OF SEPTEMBER 2012.

  
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K. D. Kelly  
Presiding Officer

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

NO.	ITEM
1. C-1	Complainant Disclosure
2. C-2	Complainant Disclosure – Rebuttal
3. R-1	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	industrial	Multi-tenant	Market value	Market sale comparables