

**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 Limited), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before

***L. Yakimchuk, PRESIDING OFFICER
P. Charuk, MEMBER
J. Pratt, 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: 033036708

LOCATION ADDRESS: 4710-14 St NE

FILE NUMBER: 68171

ASSESSMENT: 6,460,000

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

Appeared on behalf of the Complainant:

- *C. VanStaden, Altus Group Limited*

Appeared on behalf of the Respondent:

- *M. Hartmann, Calgary Assessment*

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

- 1) Late arrival of Rebuttal Evidence. The Rebuttal Evidence submitted by Altus Group Limited was due at midnight July 30, 2012. It arrived at the ARB offices the following day. For this reason, the Respondent asked that the Rebuttal Evidence be removed from the presentation. The Complainant, Altus Group Limited, presented documentation that the evidence had been emailed on July 30 and refused by the City of Calgary server (rejected by a Spamhaus block list). Ms. C. VanStaden, Altus, stated that she contacted the City about the block the next morning and delivered the material the next day (also documented). As the Board is not bound by the rules of evidence, and as Altus Group Limited took immediate action to amend the problem which occurred through no fault of their own, the Board chose to include the Rebuttal Evidence in the evidence.
- 2) New Information in Rebuttal Evidence. The Respondent asked that any new evidence in the Rebuttal Evidence be removed as it was not available to the Respondent in the original Evidence package. The Complainant said the evidence supplied was all in direct response to the presentation by the Respondent. The Board decided that any Rebuttal Evidence that did not directly respond to evidence in the package would be removed as the evidence was presented. The Complainant agreed to use only information on properties used in document R-1 in the Rebuttal.
- 3) Evidence Pertinent to Section 299 of the Municipal Government Act (MGA). The Complainant asked that information requested by the Complainant from the City and not revealed in a timely fashion as legislated by Section 299 of the MGA be removed from the Respondent's Evidence. Accordingly, evidence pertaining to 4535-8A NE St was removed from all evidence packages and was not referred to in the merit hearing.

Property Description:

[2] This 1974 two-building multi-tenant Industrial Warehouse has been assessed with 44,911 square feet (sf) and 28,920 sf of improvements on 4.04 Acres (A) of Industrial land in McCall Industrial Park in NE Calgary. It was assessed at \$6,460,000 (\$87/sf).

Issues:

[3] Is the Approach to Assessment used by the City of Calgary appropriate for this property? How does the Assessment to Sales Ratio (ASR) affect this property subgroup? Is part of the property exempt from property taxes?

Complainant's Requested Value: \$4,720,000

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

[4] The Complainant, C. VanStaden, first asked that the Respondent investigate the eligibility for exemption from taxes of one of the property tenants, the Canadian Legion. The Respondent agreed to investigate the issue and respond within 30 days. The Complainant agreed and did not pursue the matter further in the evidence and arguments.

[5] Ms. VanStaden presented a list of equity comparables with a median assessment of \$87/sf. She stated that the comparables each had two buildings per site and that the adjusted median assessment was \$66/sf. The Respondent, in questioning, identified that two of the properties had special use improvements that she said would not be comparable to the subject. The remaining property had an amended assessment of \$87/sf.

[6] The Complainant presented a list of Sales of three comparable properties which included the two with special use improvements. The three sales were of properties ranging from 84,531 sf to 96,804 sf of building area. Ms. VanStaden included an Assessment to Sales Ratio table which she argued indicated that the assessments were not in line with sales values.

[7] The Complainant also presented a Cost Approach calculation using Marshall and Swift rates which indicated a Cost Estimation of \$5,004,970 for the property.

[8] M. Hartmann, City of Calgary Assessor, included a list of Equity comparable properties with years of completion from 1975 to 1978 with assessable building areas from 57,240 sf to 82,877 sf (subject 73,831 sf). The assessed values had a median of \$98/sf and an average of \$96/sf.

[9] The Respondent also presented an Industrial Sales Chart of multiple building properties with years of completion ranging from 1970 to 2006, and assessable building area ranging from 9,218 sf to 207,668 sf.

[10] The Respondent stated that there were seven key factors which the City considered in Industrial Property assessment and that all of these factors were used to find comparable properties:

- 1) Building Type (single-tenant, multi-tenant, outbuilding)
- 2) Net Rentable Area
- 3) Actual Year of Construction
- 4) Region/Location
- 5) Interior Finish Ratio
- 6) Site Coverage

7) Multiple Buildings

[11] Ms. Hartmann argued that Comparable Sales were the best support for a Market Value assessment and asked the Board to consider the City's Industrial Sales comparables to make a decision.

Board Findings

[12] The Board decided that the Complainant's ASR study confirmed the quote from Altus: "Ratio statistics cannot be used to judge the level of appraisal of an individual parcel." (*Standard on Ratio Studies 2010, International Association of Assessing Officers*) (C1, p20).

[13] The Board encourages the Canadian Legion to pursue the issue of exemption from taxes with the City of Calgary.

[14] The Board considered the evidence and arguments presented by the Complainant and Respondent and agreed that Market Sales of comparable properties are the best evidence to support a Market Value for an assessed property. Of the sales presented by the Complainant, only one property was somewhat comparable (Roll 031012693), but its Assessable Building Area was 31% larger than the subject.

[15] The Respondent presented comparable Sales which had to be viewed with consideration for the variations in lot size and improvement size. However, the TASP did have a median of \$122.54/sf, compared to the assessed value of the subject at \$87.55/sf.


[16] The Respondent's Equity Chart included properties much more comparable to the subject, in both size and age. The median assessment for these properties was \$98/sf with an average of \$96/sf. The Complainant's Equity comparable showed an assessment of \$86/sf.

[17] The Board decided that the assessed value of the subject property was well within the range of the assessed value of similar properties, and that this value was supported by the Sales provided by the Respondent. For these reasons, the Board decided that the assessed value of the subject property has been supported.

Board's Decision:

[18] The Board confirms the assessment at \$6,460,000.

DATED AT THE CITY OF CALGARY THIS 5 DAY OF September 2012.


Lana Yakimchuk
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. C2 parts 1 and 4	Complainant Rebuttal
3. R2	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.*

For MGB Administrative Use Only:

Decision No. 0808-2012-P

Roll No. 092028703

Subject	Type	Issue	Detail	Issue
CARB	Industrial Warehouse	Multi	Sales	Approach/ASR