

**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:

I.G. Investment Management Ltd c/o Kennington properties Ltd (as represented by AEC International), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***F. W Wesseling, PRESIDING OFFICER
J. Lam, MEMBER
P. Charuk, 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: 031023609

LOCATION ADDRESS: 2611 Hopewell PL NE

FILE NUMBER: 66172

ASSESSMENT: \$7,170,000

This complaint was heard on 21 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:

- *J. Wingrowich*

Appeared on behalf of the Respondent:

- *R. T. Luchak*

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

The Respondent in general terms objected to some of the information in the Complainant's rebuttal. The Board concluded to deal with the matter when the rebuttal was provided. No further specific jurisdictional or procedural matters were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint

Property Description:

[1] The subject property is located in the Hopewell Industrial Park in the community of Horizon. The site contains a multi-tenanted industrial warehouse with varying levels of finish. The building contains 73,020 square feet and was constructed in 2001 in conjunction with four adjacent similar buildings. The City of Calgary Land Use Bylaw classifies the property with an "Industrial-Business" designation.

Issues:

The Complainant raised the following matter in Section 4 of the Assessment Complaint form: Assessment amount

Presentation of the Complainant and Respondent were limited to:

- Assessment market value is overstated in relation to comparable properties.

Complainant's Requested Value: \$6,219,000.

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

[2] Complainant's Position: The primary argument from the Complainant's perspective with regard to the assessed value of the property is one of equity. Similar properties that compete against the subject site are assessed lower. In support of the request comparable sales information and equity comparable are outlined for the Board's consideration.

[3] The subject property is currently assessed at \$126 per square foot and the assessment request is based on \$109 per square foot. Nine sale comparables were reviewed although it was indicated the sale of large industrial warehouses in NE Calgary has been limited. One sale (930 64 Ave NE) was focused on as being the most similar. This property, based on a sale 5 months prior to the evaluation date, came in at a value of \$106 per square foot.

[4] In terms of equity, the complainant focused on the 3 other buildings adjacent to the subject property which are the same age, same type of construction and have the same utility. One of these properties shares the parking lot with the subject property. The assessed value per square foot of these buildings range from \$98 to \$113. Land use classification under the Calgary Land Use Bylaw was briefly addressed in terms of comparable properties.

[5] Respondent's Position: The difference in classification, as it relates to assessment, between "Industrial-Business" (I-B) and "Industrial-General" (I-G) was focused on and the different rates were outlined. The first 3 acres of an IG classified property is assessed at \$800,000 while an I-B property is assessed at \$925,000.

[6] In terms of sales and equity comparables provided by the Complainant, the City expressed concern. Only one sale comparable was considered appropriate. In terms of equity, the classification issue was not addressed and no adjustments were made for site coverage thereby compromising the Complainant's information.

[7] The lack of sales in the area compromises both parties. The City provided information on 5 sale comparables in NE Calgary. The square foot value, depending size of parcel, building and site coverage, ranged from \$96 to \$149. Similarly, in terms of equity, the 5 properties outlined in the NE were valued in a range of \$118 to \$124 per square foot. These properties were of similar size and site coverage.

[8] In Rebuttal, the Complainant addressed 3 specific issues.

1. The sales provided to the Board for consideration, were not used in the model to prepare the assessment for the subject site.
2. The time adjustments used by the City are not reliable and;
3. The site coverage of the subject site as compared to equity comparables.

The Board determined that no new information was presented as part of the rebuttal and as such no information was deleted.

Board's Decision:

[9] Upon reviewing information provided by the parties, the Board found that the Complainant failed to demonstrate that the assessment was in excess of market value.

The Board confirms the assessment at \$7,170,000.

Reason:

The Board concluded that the primary difference between the parties is one of Land Use Classification, in that "I-B" properties are assessed higher than "I-G" properties. The Board finds that the City applies the varied rates fairly and consistently.

The Board further found that the sales and equity information presented by the Respondent to be more relevant to the subject property than those presented by the Complainant.

DATED AT THE CITY OF CALGARY THIS 11th DAY OF Sept 2012.


F.W. Wesseling
Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1a	Complainants Submission
2. C1b	Complainants Submission
3. C2	Rebuttal
2. R1	Assessment Brief
	Complainant Disclosure
	Complainant Disclosure
	Complainant Disclosure
	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.		Roll No.		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial	Direct sales Approach	Equity	