

**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:

***MCGILL HOLDINGS LTD.,
(as represented by Altus Group), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***R. Glenn, PRESIDING OFFICER
A. Zindler, MEMBER
J. Joseph, 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: 048040109
LOCATION ADDRESS: 2216 - 27 AVE NE
FILE NUMBER: 66865
ASSESSMENT: \$5,730,000

This complaint was heard on Monday, the 27th day of August, 2012 at the offices of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, in Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- C. Van Staden and M. Robinson, Agents for Altus Group

Appeared on behalf of the Respondent:

- G. Bell and L. Cheng, Assessors for the City of Calgary

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

[1] There were no preliminary issues raised regarding jurisdiction or procedure by either of the parties when asked.

Property Description:

[2] The subject property comprises two 1980 vintage industrial warehouses, located on a 3.03 acre parcel in the NE South Airways district. The total assessed building area is 55,360 SF, representing a 31% site coverage based on the footprint and 42% based on the assessed building area. The level of finish is approximately 53% across the two buildings

Issues:

- [3] [a] Whether the assessment on the subject property is too high based on:
- [i] a sales comparison,
 - [ii] equity,
 - [iii] the cost approach

Complainant's Requested Value:

- [4] \$5,259,000.00 (\$95/SF)

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

The Complainant's Position:

[5] The Complainant starts by asking that their argument and evidence from a previous file (CARB # 1603-2012-P) be applied to this and subsequent files in this series of matters because

of the similarity of the properties. The Respondent did not object and so the Board confirmed that would be done.

[6] The Complainant initiated their argument by stating that their sales comparison approach shows the median time adjusted sale price for comparable properties is \$95/SF. They go on to argue that this value is supported by an equity approach which also shows comparable properties assessed at a median rate of \$95/SF.

[7] In addition, they state that a reduction is also supported by a cost approach which shows an improvement cost of \$2,065,384 for the two buildings, added to the land value of \$2,418,474 (calculated using City rates for NE I-G land), for a total of \$4,483,858, or \$81/SF.

The Respondent's Position:

[8] The Respondent asserts that the Complainant has provided three inferior single building sales with no adjustments made to account for the differences in these properties. One inferior multi-building sale comparable was also provided, again, with no adjustments made to account for the differences in this property.

[9] They say a multi-building co-efficient has been introduced based on previous decisions of the CARB. They carry on to say that as a result, multi-building parcels are adjusted and therefore are not true sales or equity comparables with single building parcels.

[10] They go on to say that with the Complainant's equity comparables being analyzed for various comparable attributes, they "intuitively" support the subject assessment.

[11] The Respondents further argue that the cost approach suggested by the Complainant is not an appropriate approach in this instance.

Board's Decision:

[12] It is interesting to note that the parties relied on a common sale and equity comparable located at 2835-23rd St NE. The Respondents other sales comparables differ substantially in site coverage and assessable building area from the subject. In addition, there is a lot of variation in land area and other attributes in the Respondent's comparables

[13] On balance, the sales comparables of the Complainant are closer to the parameters and attributes of the subject. The Respondent's sales comparables simply do not carry the same weight. The Board feels that it is appropriate that the sales approach to value be employed here. The Complainant argues that the time adjusted sale price of the subject is important. In addition, they say the amount of exempt area must be calculated properly, as the Respondent has not considered the actual area of exempt property

[14] The Complainant expresses surprise that the Respondent has not included the subject property's sale in its comparables as they say it is most relevant. The Respondent argues that one sale does not make a market. The Complainant counters that one sale does make a market when that sale is the subject property, with a proper time adjustment. The Board rejects the Respondent's argument regarding the multi-building co-efficient as applied to this situation.

[15] The Board finds that the common comparable for sales and equity is the best indicator of value, being \$95/SF.

[16] Based on all of the foregoing, the Board finds that the subject assessment is higher than sales and equity comparable figures indicate it ought to be. Accordingly, the subject assessment is herewith reduced to the requested amount of \$5,250,000.

DATED AT THE CITY OF CALGARY THIS 23rd DAY OF OCTOBER, 2012.



R. Glenn
Presiding Officer

APPENDIX "A"

DOCUMENTS PRESENTED AT THE HEARING AND CONSIDERED BY THE BOARD:

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal Disclosure
3. R1	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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<i>Decision No.1602-2012-P Roll No.048040109</i>				
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial Warehouse	Equity	Sale Approach	Market Value