

**COMPOSITE
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 (MGA).

between:

***M4 Development Corporation*
(as represented by *Altus Group Limited*), COMPLAINANT**

and

The City Of Calgary, RESPONDENT

before:

**C. J. Griffin, Presiding Officer
B. Bickford, MEMBER
E. Reuther, MEMBER**

This is a complaint to the Composite Assessment Review Board (CARB) 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: 201151354

LOCATION ADDRESS: 10911 – 50th Street SE

HEARING NUMBER: 68618

ASSESSMENT: \$2,880,000.

This complaint was heard on 19th day of September, 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:

- D. Mewha
- M. Robinson

Appeared on behalf of the Respondent:

- T. Luchak

Property Description:

[1] The subject is, according to the *Property Assessment Summary Report* (Exhibit C-1 pg. 6), a 15,443 Sq. Ft., A2 quality industrial warehouse facility that was constructed in 2011 and which is located in the East Shepard Industrial area of the city. The underlying site is reportedly 1.23 acres. The property has been valued for assessment purposes on the basis of the Direct Comparison (Sales) Approach.

Issues:

[2] There are a number of interrelated issues outlined on the Assessment Review Board Complaint form; however, at the Hearing the Complainant reduced the issue to be considered by the CARB to:

1. The assessed value is too high and it is not representative of the market value and is not equitable with the assessed values of similar properties.

Complainant's Requested Value: \$2,630,000. (Exhibit C-1 pg. 23)

Party Positions:**Complainant's Position**

[3] The Complainant provided (Exhibit C-1 pg. 11) their *Sales Comparables* which incorporates an analysis of six (6) sales of properties deemed to be similar to the subject. These sales were recorded between January 2010 and May 2011, involve properties ranging in size from approximately 10,295 Sq. Ft. to 20,086 Sq. Ft. and are evenly split between being single and multi-tenanted properties. The degree of finished area ranges from 19% to as high as 56% versus the subject at 27%. The respective site coverage ranges from 13% to 34% and the *year of construction* (YOC) varies between 1997 and 2010. The unadjusted sales price of these comparables ranges from a low of \$146/Sq. Ft. to a high of \$189/Sq. Ft. with an indicated median of \$171/Sq. Ft. The *Time Adjusted Sales Prices* (TASP), as determined by the Assessor, range from \$1,876,984 to \$3,272,689 and the corresponding TASP/Sq. Ft. ranges from \$145/Sq. ft. to \$182/Sq. Ft. with an indicated median of \$165/Sq. Ft. The chart also provides the 2012 assessed value per square foot for these properties and they range from \$136/Sq. Ft. to \$203/Sq. Ft. with an indicated median of \$176/Sq. Ft. versus the subject at \$187/Sq. Ft. The Complainant's request equates to approximately \$171/Sq. Ft. The supporting documentation for the comparables is provided (Exhibit C-1 pgs. 14 – 21).

[4] In terms of their equity argument, the Complainant provides (Exhibit C-1 pg. 12) a list of seven (7) properties deemed similar to the subject in terms of size, location and year of construction. The 2012 assessed values of these properties range from a low of \$128/Sq. Ft. to a high of \$179/Sq. Ft. and indicate a median of \$168/Sq. Ft. The subject is assessed at a value that equates to \$187/Sq. Ft.

Respondent's Position

[5] The Respondent introduced (Exhibit R-1 pg. 9) their *2012 Industrial Sales Comparables* which provides a summary of the four (4) sales deemed comparable and which, the Respondent maintains, provides support for the assessed value estimate of the subject. The sales, one of

which is common to both parties, are, with one exception, single tenant warehouses located in the southeast industrial sector of the city. These buildings range in size from 10,080 Sq. Ft. to 16,939 Sq. Ft. in size and their site coverage are all in the 20.94% to 25.66% range. The sales were recorded between September 2008 and June 2010 with sales prices ranging from a low of \$2,000,000 to \$4,353,000. The TASP for these same sales ranges from a low of \$1,925,111 and \$3,654,549 and the corresponding TASP/Sq. Ft. indicators range \$171.55/Sq. Ft. and \$215.75/Sq. Ft. The information, the Respondent maintains, provides support for the applied \$187/Sq. Ft. (rounded) rate applied to the subject property.

[6] The Respondent also presented (Exhibit R-1 pg. 11) a *2012 Industrial Equity Chart* which provides the assessment summary of seven (7) industrial properties deemed similar to the subject. The assessed value indicator for these properties ranges from \$183.04/Sq. Ft. to \$214.42/Sq. Ft. which, the Respondent maintains, confirms the subject property has been treated equitably with an assessed value that equates to \$186.90/Sq. Ft.

Complainant's Rebuttal

[7] The Complainant provided evidence (Exhibit C-2 pg. 13) that the Respondent's sale of 4398 – 112 Ave. SE requires adjustment to account for a reported \$253,000 in specific office improvements which the Respondent has not accounted for. Accordingly, the Complainant contends that this comparable is unreliable and should be given no weight by the Board.

Board's Decision:

[8] The assessment is **reduced** to: **\$2,630,000.**

Decision Reasons:

[9] The CARB is of the judgment that one of sales comparables utilized by the Respondent is unreliable for the reasons brought forth in the Complainant's Rebuttal. Additionally, one of the sales comparables is common to both parties and that sale of 12001 – 44th Street SE fully supports the request of the Complainant. This effectively leaves the Respondent with two sales to support their assessed value in comparison to the six sales presented by the Complainant. In the final analysis the CARB finds the comparable sales data presented by the Complainant to be more convincing than those offered by the Respondent.

[10] In terms of the equity argument, the CARB finds the equity comparables offered by both parties to be supportive of their respective cases with the result that the CARB finds this evidence to be inconclusive.

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


C. J. Griffin,
Presiding Officer

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

| NO. | ITEM |
|------------|------------------------|
| 1. C1 | Complainant Disclosure |
| 2. C2 | Complainant Rebuttal |
| 2. 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. 1801-2012-P</i> | | <i>Roll No. 201151354</i> | | |
| <u><i>Subject</i></u> | <u><i>Type</i></u> | <u><i>Sub Type</i></u> | <u><i>Issue</i></u> | <u><i>Sub Issue</i></u> |
| CARB | Industrial | Warehouse | Market Value | Sales Data |