

**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:

Manchester Syndication Ltd. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

M. Vercillo, PRESIDING OFFICER

A. Wong, MEMBER

P. Pask, 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 2011 Assessment Roll as follows:

ROLL NUMBER: 101004653

LOCATION ADDRESS: 6115 4 ST SE

HEARING NUMBER: 63069

ASSESSMENT: \$6,190,000

This complaint was heard on the 9th day of August, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- *R. Worthington*

Appeared on behalf of the Respondent:

- *J. W. Ehler*

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

The Calgary Composite Assessment Review Board (CARB) derives its authority to make this decision under Part 11 of the Act. No specific jurisdictional or procedural issues were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint, as outlined below.

Property Description and Background:

The subject property is a multi-building, multi-tenanted warehouse property located in the "Manchester Industrial" area of SE Calgary. The property contains two buildings, both built in 1974, with a footprint of 32,256 square feet (SF) and 34,552 SF, and a net rentable area (NRA) of 33,339 SF and 34,552 SF respectively. The buildings are situated on an assessable land area of approximately 4.54 acres.

According to the Respondent's 2011 Assessment Explanation Supplement, the subject has a building to site coverage ratio of approximately 33.77% and has a land use designation of "Industrial – General" (I-G). The buildings indicate a 48% and 43% "Finish" ratio and are assessed using the Direct Sales Approach to value at a rate of \$98.00 per SF and \$98.07 per SF respectively.

Issues:

The CARB considered the complaint form together with the representations and materials presented by the parties. There were a number of matters or issues raised on the complaint form; however, as of the date of this hearing, the Complainant addressed the following issue:

- 1) The aggregate assessment per SF applied to the subject property is inequitable with the assessments of other similar and competing properties and should be \$79.20 per SF.

Complainant's Requested Value:

\$4,640,000 on the complaint form revised to \$4,980,000 at this hearing.

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

ISSUE 1: The aggregate assessment per SF applied to the subject property is inequitable with the assessments of other similar and competing properties and should be \$79.20 per SF.

The Complainant along with Exhibit C1 provided the following evidence with respect to this issue:

- A table of 4 industrial equity comparable properties to the subject. Three of the comparable properties were in SE Calgary, while one was in the SW. The comparables had site coverages ranging from 41.41% to 49.05%. The comparables had an average year of construction ranging from 1971 to 1977. The comparables had NRA's ranging from 57,646 SF to 72,704 SF and finish percentages ranging from 18% to 72%. The assessment per SF of the comparables ranged from \$88 to \$90 per SF with a median of \$88. The Complainant further reduced the median assessment per SF by 10% to account for the fact that the subject was a multi-building site unlike the comparables. The Complainant concluded that based on the adjusted median of his comparables, the subject is inequitably assessed and requested that the subject be assessed at the adjusted median assessment per SF of the comparables at \$79.20 per SF or \$5,376,967. This calculation was further reduced 7.2% to account for the exempt portion of the property.

The Respondent along with Exhibit R1 provided the following evidence with respect to this issue:

- Provided a table of the same 4 equity comparable properties that were provided by the Complainant. The Respondent argued that when giving some consideration to the larger site coverages, the equity comparables of the Complainant are actually quite supportive of the assessment. The Respondent concluded that based on the assessment per SF of the Complainant's comparables, the subject is equitably assessed.
- A table of 7 equity comparable properties to the subject. All of the comparable properties were in SE Calgary. The comparables had parcel sizes ranging from 1.72 acres to 4.77 acres, with site coverages ranging from 26% to 35%. Three of the comparables were single-tenanted buildings and one contained more than one building like the subject. The comparables had an average year of construction ranging from 1963 to 1975, with rentable areas ranging from 27,280 SF to 36,936 SF and finish percentages ranging from 14% to 72%. The assessment per SF of the comparables ranged from \$105 to \$115 per SF with a median of \$110. The Respondent concluded that based on the assessment per SF of the comparables, the subject is equitably assessed.
- A table of 4 industrial sale comparable properties to the subject. All of the comparable properties were in SE Calgary. The comparables had parcel sizes ranging from 1.17 acres to 2.96 acres, with site coverages ranging from 33.98% to 48.55%. One of the comparables was multi-tenanted like the subject, but none were multi-building properties. It was noted during questioning that multi-tenanted buildings tend to sell for marginal premium over single tenanted buildings. The comparables had an average year of construction ranging from 1967 to 1978, with rentable areas ranging from 26,037 SF to 50,170 SF and finish percentages ranging from 8% to 36%. The sales prices of the comparables were time-adjusted to the assessment valuation date. The time-adjusted sales price per SF ranged from \$97 to \$120 per SF with a median of \$113. The Respondent concluded that based on the time-adjusted sales-price per SF, the subject is equitably assessed.

In rebuttal, **the Complainant** again requested that rebuttal arguments and evidence made on this issue are the same and are brought forward from hearing #61099. Therefore, the document entitled "2011 Rebuttal Evidence for Multiple Roll #'s" (hearing #61099, Exhibit C5), from that hearing was entered as evidence during this hearing. The Complainant along with Exhibit C5 from hearing #61099 provided the following evidence with respect to this issue and is duplicated below:

- A table of industrial sales comparables used by the Respondent in the various hearings the week of August 8, 2011. In this table the Complainant provided detailed information on each sale comparable including its time-adjusted sale price, its 2011 assessment and the resulting ASR. The Complainant noted that of the 32 sales, only 6 or 18.8% met the 0.95 to 1.05 ASR regulated standard. In comparing the ASR of the 4 industrial sale comparables, the Complainant calculated ASR's of 0.88, 0.80, 0.94 and 1.07 respectively. The Complainant concluded that based on the ASR's, the Direct Sales Comparison Approach, as calculated by the Respondent, proved to be a poor estimator of market value for these industrial property sale comparables and therefore, are not comparable to the subject.

The CARB finds the following with respect to this issue:

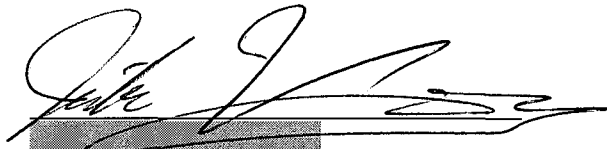
- That the Respondent's and Complainant's equity comparables, taken together were sufficiently comparable to the subject and were supportive of the subject's assessment per SF.

Board's Decision:

The complaint is denied and the assessment is confirmed at \$6,190,000.

- The CARB relied on the quality of the equity comparables of the Respondent in that they tended to support both the assessment per SF of the subject and the time-adjusted sale prices of the industrial sales comparables.

DATED AT THE CITY OF CALGARY THIS 30th DAY OF August 2011.



Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. C5, from Hearing #61099	Complainant 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.*