

**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:

Mancal Properties Inc. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

I. Weleschuk, PRESIDING OFFICER

P. Pask, 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:	201516614
LOCATION ADDRESS:	5442 44 Street N.E.
HEARING NUMBER:	68605
ASSESSMENT:	\$14,800,000

- [1] This complaint was heard on 1st day of November, 2012 at the office of the Assessment Review Board located at Floor Number Four, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 5.

Appeared on behalf of the Complainant:

- D. Mewha

Appeared on behalf of the Respondent:

- J. Greer
- M. Hartmann

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

- [2] There were no procedural or jurisdictional matters raised by either party. Neither party objected to the panel before them.

Property Description:

- [3] The subject is located in the Westwinds District in northeast Calgary, and consists of a 172,043 square foot (SF) warehouse (assessable area of 171,903 SF) built in 1999 on a 7.83 acre lot. The building has 10% finish and translates into a 50.42% site coverage. The assessment is done using the sales comparison approach, with the rate at \$86.13/SF of assessable building area.

Complainant's Requested Value:

\$13,820,000 (based on \$80/SF)

Issues:

The issue relates to determining the correct 2012 assessment for the subject property, and specifically:

1. Is the assessment equitable based on sales and equity comparisons?

Issue 1: Is the assessment equitable based on sales and equity comparables?**Complainant's Evidence**

- [4] The Complainant presented two sales in northeast Calgary as both equity and sales comparisons (page 17, Exhibit C1). One of the comparable properties was much larger than the subject and the other was older and smaller. The Complainant also included a calculation to adjust for the difference in site coverage between the two comparables and the subject. This calculation and conclusions are presented on page 17, Exhibit C1. The Complainant's sales comparable assessment results in a value per square foot of \$83.36. The equity comparables result in a value of \$80.41/SF. It is the equity comparable that is the basis of the Complainant's requested assessment of \$13,820,000 (rounded).
- [5] The Complainant indicated that the City's comparables were not good, and specifically noted that the sales comparison located at 6732 8 Street NE has an upgraded HVAC system.

Respondent's Evidence

- [6] The Respondent presented four sales comparables on page 14, Exhibit R1 that sold within the last three years and were of a similar size to the subject. The median time adjusted sale price was \$93.70/SF. The Respondent asked the Board to make qualitative adjustments to this rate, as it then supported the \$86.13/SF rate used in the assessment.
- [7] The Respondent presented seven equity comparables on page 16, Exhibit R1 that indicated a median value of \$93.72/SF. The Respondent also presented the Complainant's two equity comparables on page 18, Exhibit R1. The Respondent argued that if one makes the qualitative adjustments to the comparables, that the equity comparables also support the assessed value of \$86.13/SF.

Conclusion of the Board in this Matter

- [8] The Board was not convinced that the two comparables presented by the Complainant were sufficient to demonstrate that the assessed value is incorrect or inequitable.
- [9] The Board considered the sales comparables presented by the Respondent, and eliminated the sale at 6732 8 Street NE because of the value of the HVAC system. Removing this sale from the sales comparison table on page 14, Exhibit R1 left three sales comparables resulting in a mean of \$88.42/SF and median of \$91.46/SF.
- [10] After reviewing the equity comparables and the sales comparable data above, the Board is not persuaded that the subject assessment is wrong or inequitable.

Board's Decision

- [11] For the reasons discussed above, the Board confirms the 2012 assessment of \$14,800,000.

DATED AT THE CITY OF CALGARY THIS 16 DAY OF November 2012.



Ivan Weleschuk
Presiding Officer

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

NO.	ITEM
C1	Complainant's Disclosure
R1	Respondent's 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.*