

**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:

Standen's Limited (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L. Patrick., PRESIDING OFFICER

I. Fraser, MEMBER

D. Cochrane, 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:	100013903
LOCATION ADDRESS:	1222 58 AV SE
FILE NUMBER:	68304
ASSESSMENT:	\$10,930,000

This complaint was heard on the 23rd day of October, 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:

- R. Worthington

Appeared on behalf of the Respondent:

- G. Bell

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

- [1] There were no jurisdictional or procedural matters raised during the hearing.

Property Description:

[2] The subject is a single tenant industrial warehouse located in Burns Industrial zone in the Central region. The site consists of 8.7 acres and a 1973 building with 138,757 square feet of net rentable area, 9.45% office finish and 34.9% site coverage. The assessment rate is \$79 per square foot.

Issues:

- [3] Does the assessed value exceed the market value of the subject?

Complainant's Requested Value: \$8,320,000

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

[4] Complainant's Position. The Complainant presented 2 sales comparables located in the Manchester Industrial zone. The first sale is dated in April 2010 with a year of construction of 1970. It has 18% office finish and 40% site coverage of the 6.59 acre parcel. The time adjusted sale price is \$69 per square foot and the 2012 assessment is \$85 per square foot. The second sale is dated in January 2011 with a year of construction of 1966. It has 10% office finish and 61% site coverage of the 4.49 acre parcel. The time adjusted sale price is \$60 per square foot and the 2012 assessment is \$58 per square foot. Based upon sales comparables the Complainant requested a revised assessment of \$9,850,000. The Complainant also submitted 22 equity comparables 17 of which are located in Foothills

Industrial, 2 are located in Manchester Industrial, 2 are located in Highfield Industrial and 1 is located in Section 23 Industrial. One of the comparables from the Manchester group also appears in the sales comparables. The site coverages range from 36% to 74% and the year of construction ranges from 1966 to 2006 with the latter being in the Section 23 Industrial location. Office finishes range from 0% to 19% and all of the building sizes exceed 100,000 square feet ranging upward to 848,951 square feet. The Complainant notes that of the 22 equity comparables all are assessed at \$60 per square foot with the exception of 2 of the comparables which are assessed at \$63 and \$64 respectively. The Complainant provided Property Assessment Public Reports for 19 of the 22 comparables. Based upon that evidence the Complainant requested a revision to the assessment to \$8,320,000. The Rebuttal submitted by the Complainant indicated that the ASRs for the sales comparables of the Respondent are outside of the acceptable range of .95 to 1.05.

[5] Respondent's Position. The Respondent submitted 7 sales comparables however some duplication occurred and 2 of the 7 were withdrawn. One of the sales comparables was from the Central region and the remaining 4 were from the South East region. The office finishes range from 8% to 49% compared to the subject at 9% and the site coverages range from 27.10% to 55.18%. The year of construction ranges from 1969 for the Central location to 2008 for the remaining South East locations compared to 1973 for the subject. Parcel sizes range from 3.38 acres to 14.01 acres compared to the subject with 8.70 acres. Time adjusted sales prices provide a median sale value of \$99.66 which the Respondent submits supports the assessment of \$78.81. The Respondent also submitted 5 equity comparables from the Central region. The site coverages range from 31.81% to 42.41%. The office finishes range from 7% to 53%. The year of construction ranges from 1960 to 1973 and the assessable building area range from 98,875 square feet to 169,941 square feet. The assessments range from \$76.18 to \$82.43 per square foot and as submitted by the Respondent reflect the tight range of site coverages being a key factor in the market and support the assessment at \$78.81 per square foot..

Board's Decision:

[6] The assessment is confirmed at \$10,930,000

Reasons: The Board considered the sales comparable data and calculations of the Complainant however notes the Complainant used the assessment information from those comparables rather than the sales information and so requested a revised assessment amount based on equity. The 22 equity comparables submitted by the Complainant in support of the other requested value of \$8,320,000 are in 2 separate groups of 7 and 15 respectively. The results of the calculations of each group is the same at a median of \$60 based upon 5 of the 7 in that group showing \$60 as the assessed value and all of the group of 15 showing \$60 per square foot as the assessed value. The Board finds that these equity comparables carry less weight for two main reasons. 17 of the 22 comparables are in the Foothills Industrial region therefore a location similarity is lacking and from the Property Assessment Public Reports included with the Complainant's evidence 17 of the comparables received market adjustments which casts doubt upon the assessment values exhibited in those assessments. Additionally all of the site coverages exceed that of the subject which tends to depress the assessment values. Without a sales comparison derived value all of the evidence was assessment based and the Complainant elected to rely on the equity argument. The Complainant seeks to rely on the **Bramalea** decision on the position that the equity values are derived from the market data. The Board finds the Respondent's sales comparables, although for the most part located in the

South East, to be of some value in determining the market for the subject region. The equity comparables submitted by the Respondent are located in The Central region and are closer in similarity to the subject than those of the Complainant thus supporting the assessment.

DATED AT THE CITY OF CALGARY THIS 13 DAY OF November 2012.



L. Patrick
Presiding Officer

APPENDIX "A"

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R2	Respondent Disclosure
3. C2	Complainant Rebuttal

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.*