



**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:**

***Baker Hughes Canada Company (as represented by Colliers International Realty Advisors Inc.), COMPLAINANT***

**and**

***The City of Calgary, RESPONDENT***

**before:**

***L. Wood, PRESIDING OFFICER***

***A. Blake, MEMBER***

***A. Wong, 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 2013 Assessment Roll as follows:

**ROLL NUMBER: 097006407**

**LOCATION ADDRESS: 6720 36 ST SE**

**FILE NUMBER: 70180**

**ASSESSMENT: \$5,260,000**

This complaint was heard on 6 day of August, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- T. Howell Agent, Colliers International Realty Advisors Inc.

Appeared on behalf of the Respondent:

- T. Nguyen Assessor, City of Calgary

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

[1] There were no procedural or jurisdictional matters raised by either party during the course of the hearing.

**Property Description:**

[2] The subject property is a 3.26 acre parcel improved with two single tenant industrial warehouses and one industrial outbuilding, located in Foothills Industrial. The land use designation is I-G, Industrial General. The first industrial warehouse was built in 1985; has an assessable building area of 13,425 sq. ft.; finish percentage of 100%; and was assessed at a rate of \$190.32 psf. The second warehouse was built in 1979; has an assessable building area of 15,986 sq. ft.; finish percentage of 49%; and was assessed at a rate of \$168.36 psf. The industrial outbuilding was built in 1979; has an assessable building area of 2,304 sq. ft.; and was assessed at a rate of \$10.00 psf. The site coverage ratio is 13.89%. There is an extra land component applied to this assessment of 1.75 acres. The subject property was valued based on the direct sales comparison approach with an overall assessed rate of \$166.15 psf.

**Issue:**

[3] Comparable properties will support a reduction to the subject property's assessment.

**Complainant's Requested Value:** \$4,670,000

**Board's Decision:** The assessment is confirmed at \$5,260,000.

**Position of the Parties:**

**Complainant's Position:**

[4] The Complainant submitted three sales comparables of single tenant warehouses in support of his request (Exhibit C1 page 22). The single tenant warehouse comparables were built in 2000 – 2006 and have assessable building areas of 30,240 – 46,490 sq. ft. They sold in

May 2011 – January 2012. The Complainant noted the sale of 4311 122 AV SE was part of a portfolio sale so he applied the assessed value of \$158.40 psf. He estimated the actual sale price to be \$101 psf. The remaining two sales had time adjusted sale prices of \$153.03 psf and \$161.33 psf. The average of these three properties was \$157.59 psf, which formed the basis of the Complainant's request. The Complainant argued that these sales comparables have significantly higher quality ratings (A- and A2) than the subject property (C and C+) yet they sold for a lesser rate than the average assessed rate of \$178.06 psf placed on the subject property's two warehouses. This would suggest that the subject property is outperforming newer neighbouring properties.

[5] The Complainant also submitted a post facto sale of 4240 75 AV SE to show the "standard" price for an industrial warehouse in the market place (Exhibit C1 pages 24 & 25). It is a 3.02 acre parcel improved with a 30,808 sq. ft. warehouse, built in 1980, that sold in February 2013 for \$162 psf.

[6] In rebuttal, the Complainant submitted that less weight should be attributed to two of the Respondent's sales comparables. The sale of 5502 56 AV SE was a sale leaseback industrial portfolio sale and the sale of 2625 58 AV SE was a vendor take back mortgage (Exhibit C2 pages 6 – 9; Exhibit R1 page 29).

#### **Respondent's Position:**

[7] The Respondent submitted two sales of multi building sites in support of the current assessment for the subject property (Exhibit R1 page 28). The first is a 7.08 acre parcel improved with three single tenant warehouses that ranged in assessable building areas of 14,400 – 16,753 sq. ft. and one industrial outbuilding of 1,890 sq. ft. The buildings were constructed in 1980. The site coverage ratio is 13.31%. The property sold in November 2011 for \$10,300,000 which, when time adjusted, results in a rate of \$213.31 psf. The second is a 3.83 acre parcel improved with two single tenant warehouses that have assessable building areas of 14,250 and 3,000 sq. ft. The buildings were constructed in 1996. The site coverage ratio is 10.33%. The property sold in July 2011 for \$3,750,000 which, when time adjusted, results in a rate of \$237.83 psf.

[8] The Respondent also submitted three sales of single tenant warehouses to support the individual values placed on each building on the subject site (Exhibit R1 page 29). The warehouses have assessable building areas of 14,960 – 19,957 sq. ft.; parcel sizes of 1.18 – 3.11 acres; built in 1975 – 1997; site coverage ratios of 12.85% - 25.72%; and finish percentage of 14% - 40%. The properties sold in May 2010 – November 2011 for a time adjusted sale price of \$149.99 - \$192.92 psf.

[9] The Respondent argued that the Complainant's sales comparables are not similar to the subject property in terms of age and parcel size, and they are single building sites as opposed to multi building sites. As well, he noted the subject property's low site coverage ratio of 13.89% versus the Complainant's sales comparables of 18.56% - 39.05%. The Respondent stated that each building on a multi building site is assessed to capture the characteristics and physical condition as per the legislated requirements (section 289(2) of the Act) and then a (negative) multi building coefficient is applied. He reviewed the Complainant's sales comparables specifically 4311 122 AV SE and provided a time adjusted sale price of \$113.52 psf (Exhibit R1 page 21). The Respondent noted several discrepancies in the data presented by the parties.

**Legislative Authority:****Decisions of assessment review board**

467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

(2) An assessment review board must dismiss a complaint that was not made within the proper time or that does not comply with section 460(7).

(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- (a) the valuation and other standards set out in the regulations,
- (b) the procedures set out in the regulations, and
- (c) the assessments of similar property or businesses in the same municipality.

**Board's Reasons for Decision:**

[10] Neither party addressed the extra land component of 1.75 acres associated with the subject property and the value attributed to it. Notwithstanding, based on the market evidence, the Board finds the sales comparable located at 5380 72 AV SE is most similar to the subject property in terms of parcel size, assessable building area, and site coverage ratio. It sold in May 2011 for \$4,950,000 which, when time adjusted, results in a rate of \$162.69 psf (Exhibit R1 page 21). This supports the subject property's assessment of \$166.15 psf. The Board notes the issue of comparing single building sites to multi building sites has been exhausted. There are multiple board decisions which have addressed this issue extensively. No further comment is warranted.

DATED AT THE CITY OF CALGARY THIS 9<sup>th</sup> DAY OF September, 2013.



Lana J. Wood  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant's Disclosure
2. C2	Complainant's Rebuttal
3. 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.*

**FOR ADMINISTRATIVE USE**

<b>Subject</b>	<b>Property Type</b>	<b>Property Sub -Type</b>	<b>Issue</b>	<b>Sub - Issue</b>
CARB	Warehouse	Warehouse Single Tenant	Sales Approach	