



Calgary Assessment Review Board

DECISION WITH REASONS

In the matter of the complaint against the property assessment as provided by the *Municipal Government Act (MGA)*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

between:

SREIT (Quest Foothills) Ltd.
(as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

M. Vercillo, PRESIDING OFFICER
R. Deschaine, BOARD MEMBER
J. Mathias, BOARD 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: 098002306
LOCATION ADDRESS: 2624 54 AV SE
FILE NUMBER: 72288
ASSESSMENT: \$10,130,000

This complaint was heard from the 16th day of July, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 5.

Appeared on behalf of the Complainant:

- *J. Weber*

Appeared on behalf of the Respondent:

- *J. Greer*

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

[1] 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:

[2] The subject property is a multi-tenanted industrial warehouse (IWM), located in the Foothills Industrial district of SE Calgary and is zoned Industrial-General. According to the information provided, the property contains one building with an assessable area of 126,836 square feet (sf), was constructed in 1975 and is situated on an assessable land area 6.37 acres. The building has a 7% office finish ratio with a site coverage of 45%.

[3] The subject is assessed using the Direct Sales Comparison Approach to value at a rate of \$79.91 per sf.

Issues:

[4] The CARB considered the complaint form together with the representations and materials presented by the parties. However, as of the date of this hearing, the following issue remained in dispute:

- a) The subject property is in excess of market value as indicated by the sales comparison approach.
- b) The assessment per sf applied to the subject property is inequitable with the assessments of other similar and competing properties.

Complainant's Requested Value: \$9,290,000

Board's Decision:

[5] The complaint is accepted and the assessment is revised at \$9,290,000.

Legislative Authority, Requirements and Considerations:

[6] As in accordance with MGA 467(3), a CARB 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.

Position of the Parties

ISSUE 1: The subject property is in excess of market value as indicated by the sales comparison approach.

Complainant's Position:

[7] The Complainant provided a 36 page disclosure document that was entered as Exhibit C1 during the hearing. The Complainant along with Exhibit C1 provided the following evidence and argument with respect to this issue:

[8] Topographical and aerial photographs of the subject property. The Complainant explained that the property is not fully useable because of its irregular shape and topography.

[9] A chart of two sales comparables that both sold on July 27, 2011. One of the sales comparables was an IWM property like the subject, while the other was a single-tenanted warehouse (IWS) property. The sales comparables were constructed in 1972 and 1977 respectively. They had site coverage of 38% and 40%, net rental area of 147,727 sf and 179,418 sf, with office finish percentages of 11% and 5% respectively. The Complainant provided a time-adjusted sales price (TASP) per sf calculation for each comparable at \$70.95 and \$75.62 respectively, with a median \$73.29.

Respondent's Position:

[10] The Respondent provided a 36 page disclosure document that was entered as "Exhibit R1" during the hearing. The Respondent along with Exhibit R1 provided the following evidence and argument with respect to this issue:

[11] A duplicative chart of the Complainant's sales comparables highlighting the fact that both sales comparables were part of a portfolio sale; i.e., the properties were sold together, at the same time, to the same purchaser. The TASP of each comparable was compared to the 2013 assessment of each sale comparable. The median assessment to sales ratio (ASR) achieved was 1.00. It was noted by the Respondent that the assessment rate of the subject was only 8.29% higher than the median TASP per sf of the two comparables and therefore the assessment was fair and equitable.

CARB Findings:

[12] The CARB finds the following with respect to this issue:

[13] That the subject property is compromised by its irregular shape and other hindrances such as rail spurs and power lines. This was uncontested by the Respondent.

ISSUE 2: The assessment per sf applied to the subject property is inequitable with the assessments of other similar and competing properties.

Complainant's Position:

[14] The Complainant along with Exhibit C1 provided the following evidence and argument with respect to this issue:

[15] A chart of four equity comparables to the subject. Two of the equity comparables were IWM properties like the subject, while the other two were IWS properties. The equity comparables varied in year of construction from 1974 to 1978, had site coverage ranging from 44% to 55%, net rental area of the buildings ranging from 106,976 sf to 138,729 sf, with office finish percentages ranging from 0% to 6%. The 2013 assessment per sf ranged from \$74.17 to \$77.35 with a median of \$76.08.

Respondent's Position:

[16] The Respondent along with Exhibit R1 provided the following evidence and argument with respect to this issue:

[17] A chart of three equity comparables in addition to the five equity comparables of the Complainant and all of which were in the SE quadrant of the city of Calgary. Two of the three equity comparables added by the Respondent were IWS properties. The three additional equity comparables had a year of construction range of 1976 to 1977, with site coverage ranging from 40.09% to 48.98%. The net rental area of the three additional equity comparables' buildings varied from 91,294 sf to 179,418 sf with office finish percentages ranging from 3% to 5%. The 2013 assessment per sf range on the total of eight equity comparables was \$74.17 to \$77.89 with a median of \$77.24.

CARB Findings:

[18] The CARB finds the following with respect to this issue:

[19] That the equity comparables of the Complainant more closely resemble the physical attributes of the subject property, especially when considering assessable building area.

Board's Reasons for Decision:

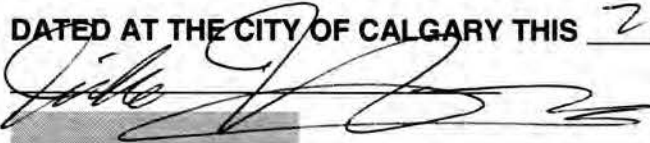
[20] The CARB is convinced that a substantial portion of the subject's land area is unusable because of its topography and other hindrances such as rail spurs and powered lines. This went largely uncontested by the Respondent.

[21] The \$73.29 assessment per sf rate offered by the Complainant's sales comparables is reasonable when consideration is given to the subject property's irregular shape and functionality.

[22] The \$73.29 assessment rate per sf is also equitable to the similar and competing

properties that were offered as comparables by both parties. Especially when consideration is given to the subject property's irregular shape and functionality.

DATED AT THE CITY OF CALGARY THIS 21 DAY OF August 2013.

A handwritten signature in black ink, appearing to be "Jill", is written over a grey rectangular stamp. The signature is fluid and cursive.

Presiding Officer

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

NO.	ITEM
1) C1	Complainant Disclosure
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.*

(For MGB Office Only)

Column 1	Column 2	Column 3	Column 4	Column 5
CARB	Warehouse	Multi Tenant	Sales Approach	