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:

Pockar Management Inc., (as represented by Altus Group Ltd.), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

L. Wood, PRESIDING OFFICER
J. Rankin, MEMBER
D. Julien, 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:	**034189399**
LOCATION ADDRESS:	**4500 5 ST NE**
FILE NUMBER:	**72797**
ASSESSMENT:	**$4,500,000**

This complaint was heard on 18 day of June, 2013 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:

- M. Robinson — Agent, Altus Group Ltd.

Appeared on behalf of the Respondent:

- K. Cody — Assessor, City of Calgary
- L. Cheng — Assessor, City of Calgary

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

[1] At the commencement of the hearing, the parties indicated the evidence and argument for this complaint is similar to file 72796 as these are adjacent properties. The parties asked that their submissions be carried forward from file 72796. The Board agreed to do so.

[2] The Complainant withdrew the issue related to sections 299 and 300 of the Act. He indicated that the Respondent had complied with the request in this instance.

[3] The parties asked that their comments in regards to the multi building coefficient as set out in file 72357 be carried forward to this complaint. The Board agreed to do so.

[4] The Respondent submitted a surrebuttal to the Board which contained several CARB decisions. The Complainant did not object. The Board marked that submission (which is argument) as an exhibit only to track it throughout several proceedings. It applies to the following files: 73044; 72813; 72796; 72797; 72799; and 72800.

Property Description:

[5] The subject property is a multi tenant warehouse located in Greenview. The assessable building area is 39,416 sq. ft. and it is situated on 1.8 acres. The land use designation is I-G, Industrial General. The building was constructed in 1981; has a finish percentage of 32% and a site coverage ratio of 43.30%. The subject property was assessed based on the direct sales comparison approach at $114.37 psf.

Issues:

[6] The issues for the complaint were identified as follows:

a) The assessment of the subject property is in excess of its market value for assessment purposes.

b) The aggregate assessment per square foot applied to the subject property does not reflect market value for assessment purposes when using the direct sales comparison approach.

Complainant's Requested Value: $3,640,000

Board's Decision: The assessment is revised to $3,980,000.

Position of the Parties:

Complainant's Position:

[7] The Complainant submitted three sales comparables of single and multi tenant warehouses in support of his request (Exhibit C1 page 13). The sales occurred in June 2011 – December 2011. The warehouses were built in 1972 – 1978; have assessable building areas of 39,600 – 48,660 sq. ft.; parcel sizes of 2.0 – 3.1 acres; site coverage ratios of 36% - 45%; and finish percentage of 8% – 28%. The unadjusted sale price was $88 - $95 psf, a median of $92 psf and a time adjusted sale price ("TASP") of $88 - $101 psf, a median of $98 psf. The Complainant disagreed with the Respondent's time adjustment analysis and corresponding time adjusted assessment to sales ratio analysis ("TASR") but did not substantiate his claims.

[8] In rebuttal, the Complainant reviewed the sales documents for the Respondent's comparables, and argued the sales comparables are distinguishable from the subject property based on their physical attributes (Exhibit C2 pages 3 - 9).

Respondent's Position:

[9] The Respondent submitted four sales comparables of single and multi tenant warehouses in support of the subject property's current assessment (Exhibit R1 page 33). The sales occurred in April 2010 – November 2011. The warehouses were built in 1965 – 1998; have assessable building areas of 28,052 – 42,504 sq. ft.; parcel sizes of 1.62 – 4.43 acres; site coverage ratios of 17.52% – 49.43%; and finish percentage of 10% – 38%. The sale price ranged between $125.21 - $187.69 psf (TASP). The Respondent identified assessable building area, year of construction and site coverage as significant factors when valuing a property as opposed to finish and building type.

[10] The Respondent submitted several equity comparables as further support of the assessment but agreed that equity was not an issue before the Board in this instance (Exhibit R1 page 34).

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:

[11] The Board finds that the Respondent's sales comparables exhibit a range of values which are significantly higher than the current assessment of the subject property and do not support an assessed rate of $114 psf. The Board finds the best sales comparable presented by the Respondent is the property located in Sunridge at 2559 29 ST NE which sold in June 2011 for $5,300,000 or $134.77 psf (TASP) although it has an inferior location and contains more office finish than the subject property. The Board finds the best sales comparable submitted by the Complainant is the property located at 2835 23 ST NE which sold in June 2011 for $4,500,000 or $101 psf (TASP). It is most similar to the subject property in terms of location, assessable building area, year of construction, and finish. As such, the Board finds the rate of $101 psf is more appropriate to apply to the subject property's assessment, and has applied that rate as follows:

39,416 sq. ft. x $101 psf = $3,981,016, truncated to $3,980,000

DATED AT THE CITY OF CALGARY THIS 18 DAY OF July 2013.

Lana J. Wood
Presiding Officer

APPENDIX "A"

DOCUMENTS PRESENTED AT THE HEARING AND CONSIDERED BY THE BOARD:

NO.	ITEM
1. C1	Complainant's Disclosure
2. C2	Complainant's Rebuttal
3. R1	Respondent's Disclosure
4. R2	Respondent's Surrebuttal

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

Subject	Property Type	Property Sub -Type	Issue	Sub - Issue
CARB	Warehouse	Warehouse Multi Tenant	Sales Approach	