



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:

***BLACKFOOT MOTOR INN LTD.,
(as represented by Altus Group),
COMPLAINANT***

and

***The City Of Calgary,
RESPONDENT***

before:

***R. Glenn, PRESIDING OFFICER
H. Ang, BOARD MEMBER
J. Massey, 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 2014 Assessment Roll as follows:

ROLL NUMBER:	100008408
LOCATION ADDRESS:	6204 Burbank Rd SE
FILE NUMBER:	74598
ASSESSMENT:	\$4,240,000

This complaint was heard on Wednesday, the 25th day of June, 2014 at the offices of the Assessment Review Board located at Floor Number 4, at 1212 – 31 Avenue NE, Calgary, Alberta, in Boardroom 4.

Appeared on behalf of the Complainant:

- D. Mewha, Agent, Altus Group

Appeared on behalf of the Respondent:

- J. Tran, Assessor, The City of Calgary

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

[1] There were no questions of Jurisdiction or Procedure raised prior to, or during the hearing. There were no objections to the composition of the Board.

Property Description:

[2] The subject property is a 3.03 acre parcel of land with a two building improvement, one being a warehouse, the other being an outbuilding, Year of Construction (YOC):1973, "C" quality warehouse building, comprising a total of 27,083sf (square feet), with the warehouse building having a 24% finish, and a total site coverage of 22.99%, located in the Burns Industrial area. The outbuilding has an area of 5040sf.

Issue:

[3] Whether or not the subject property has been equitably assessed.

Complainant's Requested Value: \$3,840,000

Board's Decision:

[4] The Board reduced the assessment of the subject to: \$3,920,000, or, \$145.00/sf.

Complainant's Position:

[5] The Complainant presented a chart of four sales comparables with 2 comparables being labelled as "best comparables", though all of their comparables had a smaller parcel size. These comparables also had a slightly larger site coverage, but a smaller percentage of finish than the subject.

[6] The Complainant suggested that the outbuilding which was assessed at \$10.00 /sf, added about \$50,000 to the subject assessment.

[7] The median Time Adjusted Sale Price (TASP) for the comparables was \$142/sf and the average TASP was \$144/sf. The median assessment of the comparables was \$136/sf and the average was \$131/sf.

[8] The Complainant also provided a chart of seven equity comparables. The Parcel Size, Site Coverage, and the Net Rentable Area of the comparables bracketed the subject quite well. The comparable's percentage of finish varied from 3% to 27%, while the subject percentage of finish was: 24%.

[9] The median assessment of the comparables was \$136/sf, and the average assessment was \$137/sf.

Respondent's Position:

[10] The Respondent also provided a chart of four sales comparables, with all of the comparables on a smaller parcel. Surprisingly, those sales comparables were the exact same comparables as those of the Complainant. Of course, the rest of the comparables' characteristics bracketed those of the subject fairly well. The median TASP was: \$142.02/sf with the average price being: \$144.39/sf

[11] In addition to their sales comparables chart, the Respondent provided a hypothetical calculation chart using their sales comparables, questioning what would happen if all of the site coverage figures were raised proportionately till they all matched. The Respondents claim that their hypothetical approach is one that could be employed to arrive at a more accurate value per square foot. This was a novel suggestion but was not well supported in argument. The Board queried whether it would be accurate in all circumstances

[12] The Respondent also provided a chart of four equity comparables, two of which had a smaller footprint than the subject, and two were slightly larger. Three of these comparables had a smaller assessable building area, and three were older than the subject. The Respondent's comparables' degree of finish varied widely, although the site coverage was relatively similar to the subject. The rate per square foot of these comparables was slightly higher than the subject.

[13] To summarize their argument, the Respondent stated that "some of our sales comparables are similar to those of the Complainant, but ours are better". Their argument did not justify that statement.

Board's Reasons for Decision:

[14] Both of the parties presented sales comparables with details, and also equity comparables with details. On balance however, the Board found that the argument raised by the Complainant was more on point than the argument of the Respondent. In addition, the Complainant's equity comparables were closer to the characteristics of the subject. In arriving at the assessment rate per square foot, the Board decided to round the rate to \$145/sf.

[15] In addition, the hypothetical calculation presented by the Respondent in their argument did not assist the Board in its deliberation. The problem was the hypothetical nature of the calculation, and the fact that such a hypothetical calculation may not hold true for all circumstances, notwithstanding that it may hold true for some situations, which caused the Board some concern.

[16] The Board somewhat surprised by the Respondent using the same sales comparables as the Complainant. All the foregoing considered, the Board reduced the subject assessment to \$145.00/sf, or a rounded total assessment of: \$3,920,000.

DATED AT THE CITY OF CALGARY THIS 6 DAY OF August 2014.

R. Glenn
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.

- (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.

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Appeal Type	Property Type	Property Sub-type	Issue	Sub-issue
CARB	Warehouses	Single Tenant	Market Value	Direct Sales Approach