



## 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:

***PG-NOM (ALBERTA) INC.***

***(as represented by Assessment Advisory Group Inc.), COMPLAINANT***

and

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

before:

***C. Griffin, PRESIDING OFFICER***

***A. Huskinson, BOARD MEMBER***

***J. Lam, BOARD MEMBER***

This is a complaint to the Composite 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:** 075004598

**LOCATION ADDRESS:** 2109 - 50 Street SE

**FILE NUMBER:** 76195

**ASSESSMENT:** \$2,560,000.

This complaint was heard on 19th day of August, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.  
Appeared on behalf of the Complainant:

- S. Cobb (Agent - Assessment Advisory Group Inc.-)

Appeared on behalf of the Respondent:

- T. Luchak (Assessor – City of Calgary)

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

[1] There were no matters related to Procedure or Jurisdiction brought forward by either party.

**Property Description:**

[2] According to the Property Assessment Detail Report (Exhibit C1, pg. 3) the subject property is a single tenant 19,809 Sq. Ft., 'C' quality industrial warehouse property that was originally built in 1974. The underlying site is 1.03 acres in size. The property, which is located in the Forest Lawn Industrial district of the city, has a Land Use Designation of Direct Control. The property assessment has been estimated through application of the Sales Comparison Approach.

**Issues:**

- [3] The Complainant brought forward the following issue to be considered by the CARB:
- 1) The Complainant contends that the assessed value of the subject property is too high and is not reflective of market value and it is not equitable compared to similar properties.

**Complainant's Requested Value: \$1,860,000.**

**Board's Decision:**

[4] The Assessment is **Confirmed** at **\$2,560,000.**

**Position of the Parties****Complainant's Position:**

[5] The Complainant introduced (Exhibit C1 pg. 7) a Comparable Analysis that summarises 1 Sales comparable and 4 Equity comparables. The single sales comparable refers to a 1976 constructed, 'C' quality 24,424 Sq. Ft. warehouse property located in the Forest Lawn Industrial district. The property has a 38.7% site coverage ratio and it features 11.6% finish ratio. This property was reported sold in August 2012 for \$2,300,000 equating to approximately \$94/Sq. Ft. of building area. Although it is not provided on the aforementioned chart, the Complainant informed the Board that the property has a 2.8 acre underlying site.

[6] All 4 of the Complainant's equity comparables are located within the Forest Lawn Industrial area and all are 'C' or 'C-' quality. The original year of construction for these properties ranges from 1965 to 1974 and the building sizes range from 40,935 Sq. Ft. to 119,377 Sq. Ft. The site coverage ranges from 39.1% to 89.1%. The assessed building rate/Sq. Ft. ranges from \$47 to \$74 and indicate a Median of \$68/Sq. Ft. versus the subject at \$129/Sq. Ft.

**Respondent's Position:**

[7] The Respondent indicated to the Board that the only sales comparable put forth by the Complainant is not considered, by the Assessor, to be a typical sale as the building has some form of condition factor that results in the assessed value being reduced by 25% to account for same. In support of this information the Respondent provided (Exhibit R1 pg. 12) a copy of the 2014 Assessment Explanation Supplement for the property which clearly indicates the aforementioned 25% reduction as having been applied to the assessed value. While the Transaction Summary for this sale (Exhibit C1 pgs. 10 & 11) makes no mention of any particular problem with the condition of the building, the Respondent submitted their own Sales Analysis (Exhibit R1 pg. 14) which refers to 8 sales, including the building in question, which clearly shows that sale to be an outlier in comparison to the other sales. Other than the aforementioned building, none of the Respondent's sales refer to properties located in the Forest Lawn District, instead they are all located in Foothills 1 which is an industrial district situated in close proximity to Forest Lawn Industrial and which the assessment model treats the same as it treats Forest Lawn Industrial. These other sales refer to buildings ranging in size from 14,960 Sq. Ft. to 28,798 Sq. Ft. and the underlying sites range from 1.10 acres to 3.01 acres. The site coverage for these sales ranges from 17.62 to 38.75 and the percentage of finished area ranges from 5% to 40%. The sales were recorded between Sept. 2011 and Feb. 2013. The Time Adjusted Sales Price (TASP) ranges from \$135 to \$185/Sq. Ft. The Respondent contends that these TASPs not only support the current assessed value of the subject at \$129/Sq. Ft. but also support the contention that the Complainant's single sale, with a TASP of \$95/Sq. Ft., is clearly an outlier.

[8] The Respondent also introduced (Exhibit R1 pg. 16) their Equity Chart summarising 6 comparable properties, two of which are from the Forest Lawn Industrial district and four of which are located in the Foothills Industrial District. These equity comparables compare favourably with the subject property in terms of site size, building area, year of construction and

site coverage. The assessed rate/Sq. Ft. of these properties ranges from \$122 to \$147 and support, the Respondent contends, the assessed rate of approximately \$130/Sq. Ft. applied to the subject property.

**Board's Reasons for Decision:**

[9] The CARB does question the condition of the building in the Complainant's only sales comparable as there is no clear evidence as to what the problem is, or was, or if that problem still exists. Referring to the evidence of the Respondent (Exhibit R1 pg. 14) the property in question clearly appears to be an outlier. This situation is further compounded by the fact that this is the only sales comparable introduced by the Complainant. The CARB has reiterated many times in the past that *one sale does not make the market* and questions why the Complainant did not have any additional sales comparables.

[10] Referring to the Equity Comparables presented by the Complainant, the CARB does not find these properties to be very comparable to the subject, especially in terms of building size as they range from approximately 41,000 Sq. Ft. to approximately 119,000 Sq. Ft. versus the subject at approximately 19,800 Sq. Ft. Additionally, based on the verbal evidence of the Complainant the site sizes of these properties ranges from 1.9 acres to 3.00 acres compared to the 1.03 acre size of the subject site.

[11] In the final analysis the CARB finds the evidence of the Respondent to be more compelling than that of the Complainant and is of the judgment that no adjustment to the assessed value of the subject is warranted.

DATED AT THE CITY OF CALGARY THIS 10<sup>th</sup> DAY OF September 2014.

  
C. J. Griffin, Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
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.*

## CARB Identifier Codes

<b>Decision No. 76195P-2014</b>			<b>Roll No. 075004598</b>	
<b><u>Complaint Type</u></b>	<b><u>Property Type</u></b>	<b><u>Property Sub-Type</u></b>	<b><u>Issue</u></b>	<b><u>Sub-Issue</u></b>
CARB	Industrial	Industrial	Market Value	Equity

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