

**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(4).

**between:**

***Mantei Holdings Ltd., COMPLAINANT***

**and**

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

**before:**

***P. Mowbrey, PRESIDING OFFICER***

***K. Farn, MEMBER***

***B. Jerchell, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

**ROLL NUMBER: 023161508**

**LOCATION ADDRESS: 5935 6 Street NE**

**HEARING NUMBER: 56676**

**ASSESSMENT: \$4,150,000**

This complaint was heard on 29 day of June, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- Tom de Peuter

Appeared on behalf of the Respondent:

- Marcus Berzins

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

There are no Procedural or Jurisdictional Matters.

**Property Description:**

The subject property is a single tenant metal clad and concrete slab industrial warehouse, built in 1996, with a footprint and rentable area of 25,000 sq ft. It has a site coverage ratio of 17.92 which is considered low as the typical industrial site coverage ratio is 30, thus it is considered to have excess land and included in the 2010 assessed value of \$4,150,000 or \$166.00 per sq ft.

**Issues:**

1. Is the 2010 Assessment of \$4,150,000, too high based on the 4 page summary, C1, of a March 10, 2010, Full Narrative Appraisal Report with an estimate of value of \$3,300,000.
2. Is the 2010 Assessment of \$4,150,000 too high based on the January, 29, 2009, sales comparable, R1, P 21, of the immediate adjacent property with a TASP of \$4,193,570 or \$188.00 per sq ft.
3. Is the 2010 Assessment of \$4,150,000, too high based on the equity comparable of the immediate adjacent property to the subject which has a 2010 assessed value of \$3,862,843 or \$173.00 per sq ft.
4. Is the 2010 Assessment value or \$4,150,000, too high due to the dirt roads and lack of a storm drainage system.

**Complainant's Requested Value:** \$3, 600,000

**Board's Decision in Respect of Each Matter or Issue:**

The Complainant presented as evidence, C1, a 4 page summary of a Full Narrative Appraisal Report prepared by Cushman & Wakefield as at March 16, 2010, for the purposes of financing, for an estimate of value, based on an exposure time of 6 to 9 months, of \$3,300,000. The Complainant stated he cannot understand the wide difference in value and requests the 2010 Assessment be reduced to \$3,600,000.

The Complainant presented as evidence, C1, a 1 page summary of a Full Narrative Appraisal Report prepared by Cushman & Wakefield LePage as at August 1, 2007, for the purposes of financing, for an estimate of value of \$3,600,000.

The Complainant refuted the sale of the immediate adjacent property presented by the Respondent, R1, indicating one sale does not make the market or it could be a one-of type of sale.

The Complainant stated there were no paved streets, just dirt roads, and no storm drainage system which causes a great deal of distress to the tenant when delivery of supplies is delayed due to poor road conditions.

The Respondent presented the immediate adjacent property as a sales comparable at January 29, 2009, R1 P21, demonstrating it is similar to the subject property in lot size, building size, rentable building area, site coverage, year built, building type, and finish. The TASP is \$4,193,570 or \$188.00 per sq ft. The Respondent presented the assessed value of the adjacent property which is \$3,860,000 or \$173.00 per sq ft.

The Respondent indicated that it is typical for industrial properties in the subject area to have dirt roads and no storm drainage system and is assessed similar to all properties in the area.

The Respondent stated the 4 page appraisal summary, C1, was not acceptable as it lacks the background and basis for the value estimate that is contained in the Full Narrative Appraisal Report, and that the date of the appraisal summary and Full Narrative Appraisal Report is March 16, 2010, a full 9 months after the valuation date or post facto.

1. The Board notes the 4 page summary, C1, of the March 10, 2010, Full Narrative Appraisal Report, lacks the data, reasoning and analysis upon which the value estimate of \$3,300,000 is based, and cannot consider the value as presented.
2. The Board cannot consider the value estimate presented in the 4 page summary, C1, as at March 10, 2010, as it is post facto, not by a short period of time, but by 9 months, and therefore will be considered in the next assessment year.
3. The Board is of the opinion the equity comparable, R1 P 20, of the immediate adjacent property to the subject is a fair comparison and is equitable to the subject property.
4. The Board considers the dirt roads and lack of a storm drainage system to be typical to the industrial area of the subject property and consideration is given in the assessed value.

**Board's Decision:**

The Decision of the Board is to confirm the 2010 Assessment of \$4,150,000

DATED AT THE CITY OF CALGARY THIS 8<sup>th</sup> DAY OF JULY, 2010



**P. Mowbrey**

Cc: Owner

*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.*