

**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:

Colliers International Realty Advisors, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Myron Chilibeck, Presiding Officer
Robert Kodak, 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: 097008502

LOCATION ADDRESS: 5915 – 40 ST SE

LEGAL DESCRIPTION: PLAN 7910925, BLOCK 2, LOT 3

HEARING NUMBER: 57564

ASSESSMENT: \$2,650,000

This complaint was heard by the Composite Assessment Review Board on 12th day of August, 2010 at the office of the Assessment Review Board, Boardroom 4 at 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- *Michael Uhryn*

Appeared on behalf of the Respondent:

- *Aram Motadi*

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

The Board heard this complaint as a two member quorum pursuant to s.458(1) of the *Municipal Government Act*. The parties did not object to the hearing of this complaint by the quorum of the Board.

There were no objections to the composition of the Board.

The Complainant advised the Board that the disclosure of evidence was not received from the Respondent for this complaint and that the circumstances are identical to those for file numbers 57551 and 57577 that were heard August 10. After these hearings, the Complainant requested and received a copy of the Respondents evidence and advised the Board that he was prepared to proceed with hearing the merits of the subject complaint.

Property Description:

The subject property is an industrial warehouse constructed in 1979 located in the Foothills district in south east Calgary. The building area is 27,888 square feet situated on a parcel of land with 1.69 acres or 73,616 square feet. Parcel coverage is 38% and office finish is 12%.

The property assessment is determined using the direct sales comparison method and is assessed at \$2,650,000 that equates to \$95.19 per square foot of building area.

The Complainant requests a reduction in the assessment to \$2,370,000 that equates to \$85 per square foot.

Issues:

The Complaint form identified a list of 16 reasons for complaint. However, at the outset of the hearing, the Complainant clarified that there was only one reason:

- 1) The assessment of similar or competing properties suggests that the assessment is inequitable with these and other properties.

Complainant's Requested Value:

\$2,370,000

Board's Decision:

The assessment is confirmed at \$2,650,000.

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

The Complainant provided five equity comparables from the immediate vicinity of the subject that are assessed at a median rate of \$86 or mean rate of \$84 per square foot of building area versus the subject at \$95. Four of the comparables are under complaint by the Complainant of the subject property. By putting aside the fact that four of the five comparables are under complaint to this Board, the board looked at these comparables at face value as presented by the Complainant; the Board finds as follows.

These comparables are similar in most respects to the subject except for the building area and parcel coverage. These areas range from 40,222 to 57,760 square feet versus the subject with an assessed area of 27,888 square feet and the parcel coverage ranges from 51% to 37% versus the subject at 37%. The Board finds that the rate per square foot increases as the building area and the site coverage decreases. The Board notes that comparable 4451 with parcel coverage at 37% is assessed at \$89 per square foot and with an adjustment for building area to relate to the area for the subject supports the assessment of the subject.

The Respondent provided seven sale comparables and eight equity comparables to support their assessment of the subject. Board finds that the sale comparables vary in parcel coverage, net rentable area and finish area. No data was made available to make specific adjustments to these characteristics to relate to the subject to conclusively show support for the assessment. It is apparent to the Board in looking at the comparables with similar parcel coverage that the sale prices would need adjustment for rentable area and finish. Also, the Board believes the assessment for each sale comparable should be provided. The Board believes it could find the sales comparables with the respective assessments more persuasive, especially if the Assessment-to-Sales Ratios (ASRs) are within 0.95 and 1.05. In this case the Respondent provided seven equity comparables.

Of the equity comparables, the Respondent suggested that two are poor comparables. For the most part, the five remaining comparables are similar to the subject and the assessed rate ranges from \$94 to \$100 per square foot of building area and support the subject at \$95.

The Board finds the Respondents' equity comparables more similar than the Complainants' and accordingly placed more weight on the Respondent's comparables.

The Board confirms the assessment at \$2,650,000.

DATED AT THE CITY OF CALGARY THIS 8 DAY OF SEPTEMBER, 2010.


for **Myron Chillibeck**
Presiding Officer

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.*