

**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 Chillibeck, Presiding Officer
Robert Kodak, Member
Richard Glen, 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: 097011894

LOCATION ADDRESS: 3755 – 64 AV SE

LEGAL DESCRIPTION: Plan 8010938, Block 1, lot 2

HEARING NUMBER: 58703

ASSESSMENT: \$1,800,000

This complaint was heard by the Composite Assessment Review Board on 9th day of August, 2010 in Boardroom 4 at the office of the Assessment Review Board located at 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- *Michael Uhryn*
- *David Porteous*

Appeared on behalf of the Respondent:

- *Aram Motadi*
- *Ian Baigent*

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

There were no objections to the composition of the Board.

The Complainant raised a preliminary matter; they did not receive the disclosure of evidence from the Respondent. The Respondent acknowledged they did not send an evidence package to the Complainant. The Board proceeded to hear from the Complainant and allowed the Respondent to question the Complainant.

Property Description:

The subject property is an industrial warehouse located in the Foothills district in south east Calgary occupied by a single tenant. On the subject parcel, at 1.49 acres or 64,904 square feet, is located a building with a rentable building area at 7,950 square feet with 14% office finish. The building footprint is 7,950 square feet that results in parcel (site) coverage at 12.25%. This property has extra land area of 0.92 acres based on typical site coverage at 30%.

The property assessment is determined using the sales comparison method and is assessed at \$1,800,000. This assessment equates to a rate at \$226 per square foot of building area. The Board notes that the assessment explanation supplement shows extra land of 0.92 acres but does not show a land adjustment amount. The Board believes the assessed rate per square foot of building area includes the valuation for the extra land.

The Complainant requests a reduction in the assessment to \$990,000 that equates to \$125 per square foot of building area.

Issues:

The Complaint form identified a list of 14 reasons for complaint. However, at the outset of the hearing, the Complainant clarified there were only two reasons:

- 1) The comparable sales for the subject in the relevant time frame suggest that the assessed value is in excess of market value.
- 2) The assessment of similar or competing properties suggests that the assessment is inequitable with these and other properties.
- 3) The appraised value of the subject is an indicator of market value and is not

reflected in the assessed value.

Complainant's Requested Value:

\$990,000

Board's Decision:

The assessment is confirmed at \$1,800,000.

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

Issue 1) & 2)

The Complainant provided five sale comparables similar in age, median parcel area at 95,395 square feet (2.19 acres), median building area at 24,140 square feet, median parcel coverage at 36%, and median finish area at 32%.

These comparables have a median sale price at \$131 per square foot of building area and a median assessed rate at \$125 per square foot.

The Board finds these comparables to differ significantly from the subject in most respects and does not accept these comparables sufficiently similar to indicate a value for the subject. Most notably are the parcel coverage, office finish and building area. The conclusion of the Board is that the market value (assessment) of the subject property is difficult to determine based on these sale comparables unless data is provided to make specific adjustments for the varying characteristics.

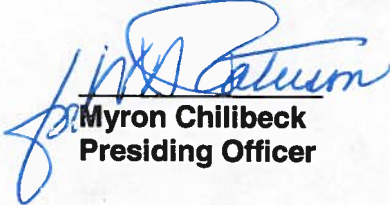
Issue 3)

The appraisal provided by the Complainant, dated November, 2008, is a summary valuation report and its intended use is to facilitate internal decision making relating to the value of the subject property. This appraisal used four sale comparables to estimate the market value of the subject as at December 1, 2008 to be \$1,210,000 that equates to \$152 per square foot of building area.

The Board finds two of the four comparables used in the appraisal to be in the same market zone as the subject and somewhat similar in other characteristics. One sale at \$198 per square foot of building area has parcel coverage of 23% and the other at \$141 per square foot has coverage of 50%. The Board believes that both of these sale prices would require significant adjustment upwards for parcel coverage to relate to the subject with parcel coverage at 12%, contrary to the adjustments made by the appraiser. The Board is not persuaded by the appraisal or its sale comparables to change the subject assessment.

The Board confirms the assessment at \$1,800,000.

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



Myron Chilibeck
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.*