

**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
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: 116016593

LOCATION ADDRESS: 7725 – 48 ST SE

LEGAL DESCRIPTION: Plan 8010816, Block 2, lot 6

HEARING NUMBER: 57577

ASSESSMENT (2010): \$3,830,000

This complaint was heard by the Composite Assessment Review Board on 10th day of August, 2010 at the office of the Assessment Review Board in 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*
- *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 alleging that the disclosure of evidence was not received from the Respondent.

The Respondent asserted that their evidence disclosure was sent by facsimile to the number shown on page one of the Complainants' evidence package.

The Complainant advised that the facsimile number used by the Respondent is not the same number shown on their Complaint form and that the number shown on their evidence package is for another department within their Company.

The Board found that the Respondents' evidence package was sent within the time requirements of *Matters Relating to Assessment Complaints Regulation, Alberta Regulation 310/2009* and appropriately sent to the Complainant. The Board believes that it could be understood that the facsimile number on the Complainants' package could supersede the number shown on the complaint form and no disclaimer was sent by the Complainant advising the Respondent of the appropriate number to send their evidence disclosure.

The Board allowed the Complainant time to review the Respondents' evidence package and proceeded to hear the merits of the complaint.

Property Description:

The subject property is an industrial warehouse located in the Foothills district in south east Calgary. The building, constructed in 1981, has an assessed building rentable area of 14,920 square feet and 17% office finish. The building footprint area is 12,320 square feet situated on a parcel of land with 4.17 acres or 181,645 square feet for site coverage at 6.78%

The property assessment is determined using the direct sales comparison method and is assessed at \$3,830,000. This assessment equates to \$141 per square foot of building rentable area plus a land adjustment for 3.29 acres at \$1,736,550 that equates to a blended rate of \$529,000 per acre. The assessment at \$3,830,000 equates to \$257 per square foot of building area.

The Complainant requests a reduction in the assessment to \$3,450,000 that equates to \$115

per square foot of building rentable area plus a land adjustment for 3.29 acres at \$1,736,500 that equates to \$529,000 per acre. The requested assessment at \$3,450,000 equates to \$231 per square foot of building area.

Issues:

The Complaint form identified a list of 15 reasons for complaint. However, at the outset of the hearing, the Complainant clarified there was only one reason:

- 1) The comparable sales for the subject in the relevant time frame suggest that the assessed value is in excess of market value.

Complainant's Requested Value:

\$3,450,000

Board's Decision:

The assessment is confirmed at \$3,830,000.

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

The Complainant provided six sale comparables that have site area ranging from 0.47 to 8.91 acres, building area ranging from 9,024 to 41,586 square feet, site coverage ranging from 7.88 to 48.4%, time adjusted sale price ranging from \$96 to \$137 per square foot of building area with a median at \$115. The Complainant asserted that this information supported his request that the building and land, at 30% site coverage, be assessed at \$115 plus the extra land of 3.29 acres at \$1,736,550.

The Respondent provided two charts of sale comparables, one showing comparables with "low site coverage" and the other showing comparables with "more typical site coverage" (typical being 30%).

The "low site coverage chart" shows nine sales with site coverage ranging from 3.93% to 20.58% and time adjusted sale prices ranging from \$230 to \$365 per square foot of building area to support the subjects overall assessed rate at \$257.

The "more typical site coverage chart" shows ten sales with site coverage ranging from 21.13% to 36.15% and time adjusted sale prices ranging from \$150 to \$245 per square foot of building area to support the subjects' assessment at \$140 plus an adjustment for the extra land.

The Respondent also provided seven equity comparables that have parcel size ranging from 2.9 to 6.7 acres, site coverage ranging from 5.49% to 10.11% and showing that the building and land at 30% site coverage are assessed at rates ranging from \$133 to \$177 per square foot of building area to support the assessment at \$141.

The Board finds the Complainants' sale comparables have significant differences in parcel area and building site coverage. Also, the Board notes the assessment to sale ratios (ASR) for three comparables is notably greater than 1.05 and the Board is not convinced these sales are reliable indicators of value in this case. Accordingly the Board placed little weight on these

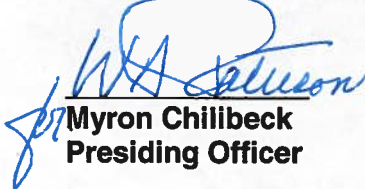
comparables. Board finds two of the other three sales, with ASR's between .098 and 1.03, support the assessment of the subject building with land at 30% parcel coverage at \$141 per square foot of building area.

For the most part, the Board finds the Respondents' sale and equity comparables compelling and convincing. The sale comparables with low site coverage support the assessment of the subject with site coverage at 6.78% and the sale comparables with "more typical site coverage" support the assessment of the subject building with land at 30% coverage.

The Board is not persuaded by the Complainant's' evidence to reduce the assessment.

The Board confirms the assessment at \$3,830,000.

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.*