

**CALGARY
COMPOSITE 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:

Reimer Consulting Group Inc, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***C. Griffin, PRESIDING OFFICER
K. Kelly, 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:	200921286
LOCATION ADDRESS:	4430 – 112 Avenue SE
HEARING NUMBER:	56125
ASSESSMENT:	\$945,000.

This complaint was heard on 10th day of August, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- Mr. A. Reimer

Appeared on behalf of the Respondent:

- Mr. Ian McDermott

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

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

One of the assigned panel members was unavailable for the Hearing; however, under Section 458(2) of the Municipal Government Act the remaining two members constituted a quorum and the Hearing proceeded.

Property Description:

The subject property is a vacant industrial site that is located in the East Lake Industrial Park in southeast Calgary. The parcel is 1.52 acres in size and it is a fully serviced site.

Issues:

1. The single issue relates to the assessed value of the property which the Complainant contends is over stated and incorrect.

Complainant's Requested Value: \$766,000..

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

The Complainant submitted evidence which consisted of sales and listings of sites deemed comparable to the subject site as well as an appraisal of the site that was completed by a well qualified independent real estate appraiser. The appraisal had an effective date of September 9, 2009. The appraisal was prepared to provide an estimate of the market value of the subject property "as though fully complete" with a proposed improvement. The appraisal was prepared for "financing purposes". The appraisal incorporated all three approaches to value and in application of the Cost Approach the appraiser derived an estimate of the land value as being \$860,000 (\$560,000 per acre).

The sales evidence provided by the Complainant included the January 2009 asking prices of similar lots located within the East Lake Industrial Park, as offered by the City of Calgary, the developer of the industrial park. These asking prices ranged from a low of \$550,000/acre to a high of \$675,000/acre, depending upon location within the said industrial park. Additionally, the Complainant submitted evidence pertaining to 4 sites also located within the said industrial park which were listed as at the Date of Value, by private Real Estate companies for prices ranging from a low of \$525,000/acre to a high of \$575,000/acre, the latter price being for a site only three parcels removed from the subject and having all of the same location factors. The Complainant also introduced evidence showing that the City's pricing in East Lake Industrial remains the same in 2010 as it was in 2009.

The Respondent introduced sales evidence relating to 18 site sales which were recorded between July 2007 and December 2008, all the sales were from within the Dufferin Industrial area, the Respondent noting that Dufferin incorporates the subject East Lake Industrial Park. The median time adjusted sales price, as determined by the Respondent, was \$622,776/acre. The Respondent indicated that as a result of this analysis the Assessor had established a base land rate for the Dufferin Industrial area of \$620,000/acre.

Board's Decision:

The CARB, having duly reviewed the evidence submitted by both parties concluded that, based upon the Principle of Substitution, the value of the subject site should not be greater than the value of a similar site with a similar location within the same industrial park. It appeared incongruous to the CARB that the Assessor could derive a value estimate for the subject site that was clearly higher than similar sites being offered for sale by both The City of Calgary and the private sector at the Date of Value.

The Complaint is allowed, in part, and the assessment is reduced to \$874,000. (\$575,000/acre).

DATED AT THE CITY OF CALGARY THIS 23rd DAY OF August, 2010.


C. Griffin
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.*