

**CALGARY
COMBINED 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:

Altus Group Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L.R. Loven, PRESIDING OFFICER

K. Farn, MEMBER

R. Deschaine, MEMBER

This is a complaint to the Calgary Combined 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: 091023002

LOCATION ADDRESS: 926 46 Avenue S.E.

HEARING NUMBER: 58887

ASSESSMENT: 2,990,000

This complaint was heard on the 26th day of August, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- B. Mewha, representing Altus Group Limited, on behalf of Remi's Mechanical Services Ltd.

Appeared on behalf of the Respondent:

- R. Luchak, representing the City of Calgary

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

Both the Respondent and the Complainant confirmed to the Board that they had no procedural or jurisdictional matters to be raised.

Property Description:

The subject property consists of a 12,002 square foot single tenant industrial warehouse, constructed in 1969 with 17% office finish, located in the Central region in the community of Highfield, on an 1.75 acre site with 0.89 acres of extra land. The property is zoned I-G (Industrial-General). The total assessment is \$2,996,761 including a \$935,387 land adjustment, or \$249.00 per square foot total assessment, or \$171.00 per square foot for the building only plus the land adjustment.

Issues

1. Excess Land;
2. Sales; and,
3. Equity;

Complainant's Requested Value: \$2,649,944

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

Issue 1. Excess Land

The Complainant submitted an explanation of the Respondent's method of calculating excess over 30% site coverage of land that cannot be subdivided as 0.89 acres valued at \$933,424 or \$1,050,000 per acre.

The Complainant then submitted an appraisal of the subject property including a description regarding the a portion of the rear quarter of the extending along the north border as being undevelopable due to a significant upward slope, and photographs scaled delineating this triangularly shaped area as one half of 282 by 104 feet or 14,664 square feet or 0.33 of an acre.

Subtracting this undevelopable 0.33 acre portion out of the site area, reduces the land to 1.42 acres and the extra land to 0.56 acres, and the land adjustment to \$586,924 at \$1,050,000 per acre.

The Respondent did not submit any argument or evidence countering the Complainant's claims regarding the 0.33 undevelopable portion of the subject property.

Based on its consideration of the foregoing argument and evidence, the Board finds accepts finds that a portion of the rear quarter of the subject property is undevelopable and reduces the useable site by 0.33 acre.

Issue 2. Sales

The Complainant submitted in its Grounds for Appeal that the Complainant included sales that should not be considered in determining the market value of the subject property.

The Respondent submitted a table containing three industrial equity comparables including the subject property, all type IWS, and two located in the Highfield zone, varying from the subject property as summarized below.

Factor	Respondent Min	Subject	Respondent Max
Year of Construction (Year)	1969	1969	1990
Site Coverage (%)	15.73	15.73	21.13
Finish (%)	14	17	18
Parcel Size (Acres)	1.08	1.75	2.12
Building Area (Sq.Ft)	9,943	12,002	12,002
Rate (\$/Sq.Ft)	207	171.75	251

Based on its consideration of the foregoing evidence and argument the Board finds that the value subject property, excluding land, may have not been assessed unfairly.

Issue 3. Equity

The Complainant submitted a table of eight equity comparables all IWS (Industrial Warehouse Single) centrally located in the SE quadrant in the district of Manchester, except one in Highfield, varying from the subject as summarized below, indicating a median value based on equity of \$204 per square foot or an average of \$202 per square foot.

Factor	Complainant Min	Respondent Min	Subject	Complainant Max	Respondent Max
Year of Construction (Year)	1962	1963	1969	1974	1969
Site Coverage (%)	17.9	27	15.73	26.43	34
Finish (%)	2	0	17	55	47
Parcel Size (Acres)	0.33	0.74	1.75	2.09	1.14
Building Area (Sq.Ft)	8,702	10,200	12,002	16,275	1,486
Rate (\$/Sq.Ft)	190	172	172	208	196

The Respondent submitted a table containing seven 2010 industrial equity comparables, all zoned I-G, all centrally located, five in Highfield, and all type IWS, varying from the subject property as summarized above.

The Board notes that in weighing the equity comparables of the Complainant and the Respondent, the range of the years of construction are close to the subject, the range of the Complainant's site coverage and parcel size and building area is closer to that of the subject, however the range of the Respondent's assessed rate per square foot is closer to the subject.

Based on its consideration of the foregoing evidence and argument the Board finds little that it can rely on to find that the subject property, excluding extra land, was unfairly assessed with respect to equity.

Summary:

The valuation method applied in this instance was the Sales Comparison Approach. The use of this approach to value is contextually allowed in the legislation. The Complainant advanced an argument that supported a 0.33 acre reduction in the extra land from 0.89 acres to 0.56 acres due to the upwards slope and its significantly restricted potential to be developed. In this case, the value of \$1,050,000 per acre for the first acre used by the Complainant to determine the requested land assessment reduction was not argued by the Respondent.

Furthermore, for reasons set out in Issue #1 above, the Board accepts the argument and evidence that the extra land be adjusted to \$588,000.

Board's Decision:

For the reasons set forth above, the assessment of the subject property is hereby adjusted as follows: 122,002 square feet at \$171 per square foot or \$996,761, plus a land adjustment of \$588,000 or \$2,650,000.

DATED AT THE CITY OF CALGARY THIS 12 DAY OF October 2010.



L.R. LOVEN
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.*