

**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***

***R. Deschaine, MEMBER***

***K. Farn, 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: 091027300**

**LOCATION ADDRESS: 823 Highfield Avenue S.E.**

**HEARING NUMBER: 59405**

**ASSESSMENT: \$3,030,000**

This complaint was heard on the 29<sup>th</sup> 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:

- R. Worthington, representing Altus Group Limited, on behalf of Southland Transportation 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 8,583 square foot single tenant industrial warehouse (IWS), constructed in 1982 with 30% office finish, located in the Central region in the community of Highfield, on an 2.50 acre site with 59.12% site coverage and 1.97 acres of extra land. The property is zoned I-G (Industrial-General). The total assessment is \$197.00 per square foot for the 8,576 rentable building area plus an additional extra \$1,341,558 land adjustment, or \$3,036,715 being \$345.00 per square foot.

### **Issues:**

1. Sales;
2. Equity; and
3. Extra Land Value,
4. Income.

**Complainant's Requested Value:** \$2,030,000

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

#### **Issue 1: Sales**

The Complainant submitted no sales comparables.

Variance	Subject (Land Out)	Respondent Min	Respondent Max	Subject (Land In)
Year of Construction (Year)	1982	1963	1975	1982
Site Coverage (%)	<b>6.72</b>	27.81	34	<b>30</b>
Finish (%)	30	9	43	30
Parcel Size (Acres)	2.5	0.48	0.86	2.5
Building Area (Sq.Ft)	8,576	7,700	11,020	8,576
Rate (\$/ Sq.Ft)	<b>197.66</b>	192	245	<b>354</b>

The Respondent submitted four sales comparables, three located in the central region and one in the NE, three single-tenanted type warehouses (IWS). The ranges of the comparative factors are summarized above.

Based on its consideration of the foregoing evidence and argument, the Board finds that the subject property may not have been assessed fairly with respect to sales, regarding extra land. That is, given the property is assessed at \$197.66 per square at 6.72% site coverage, not including extra land, it appears to be assessed fairly with respect to the sales comparables provided; however, when the extra land adjustment is added, and the site coverage is adjusted to 30%, the assessed rate of \$345.00 per square foot is 1.44 to 1.84 times that of the sales comparables.

## Issue 2: Equity

The Complainant submitted no equity comparables..

Variance	Subject (Land Out)	Respondent Min	Respondent Max	Subject (Land In)
Year of Construction (Years)	1982	1966	1971	1982
Site Coverage (%)	6.72	27	33	30
Finish (%)	30	17	39	30
Parcel Size (Acres)	2.5	0.43	0.94	2.5
Building Area (Sq.Ft)	8,576	5,680	11,020	8,576
Rate (\$/ Sq.Ft)	197.66	187	266	354

The Respondent submitted six equity comparables, all zoned I-G, all located in the central region, and five of IWS building type, varying from the subject property as summarized above.

Based on its consideration of the foregoing evidence and argument, the Board finds that the subject property may not have been fairly assessed with respect to equity, regarding extra land. Similarly to the sales comparables, the property is assessed at \$197.66 per square at 6.72% site coverage, not including extra land, it appears to be assessed fairly with respect to the equity comparables provided; however, when the extra land adjustment is added, and the site coverage is adjusted 30%, the assessed rate of \$345.00 per square foot is from 1.57 to 1.89 times that of the equity comparables.

## Issue 3. Extra Land Value

The Complainant firstly provided a table highlighting the SE industrial land rate used by the Respondent to be \$1,050,000 for the first acre and \$300,000 for each additional acre up to 10 acres and put forward an argument that the first \$1,000,000 is captured in the base rate, therefore the remaining land should be valued at \$300,000 per acre.

The Complainant then determined the excess land to be 1.94 acres using the building footprint of 7,304 square feet divided by the 108,900 square foot site size or 6.71%, then subtracting the required site size at 30% or 24,347 from the site size to give the excess land at 84,553 square feet or 1.94 acres and multiplied by the land rate of \$300,000 per acre, or \$582,323.

The Complainant secondly provided a table of five vacant land sales showing a median value of \$619,231 per acre and a median lot size of 1.47 acres. The Complainant multiplied the 1.94 acres of extra land as determined above and multiplied by the land rate (amended in the hearing from

\$619,000 per acre) to \$620,000 per acre, indicating an excess land value of \$1,202,800 plus the building assessment of 8,756 square feet at \$197.00 per square foot, or \$1,689,472, for an indicated assessed value of \$2,892,272, truncated to \$2,890,000.

The Respondent firstly provided a table of six industrial land sales, excluding Dufferin, three located in the NE and three in the SE, showing time adjusted sales prices ranging from \$840,381 to \$1,693,023 per acre.

The Respondent secondly provided a table showing one of the Complainant's land sales comparable located at 200-8490 44 Street SE being valid, as it was not located in Dufferin and not un-serviced.

In this case, the Board finds that the value of the first acre at \$1,050,000 per acre is somehow imbedded in the assessed rate for the building and land, and that the extra land should be assessed at a lower rate of \$620,000 per acre.

**Summary:**

The Complainant referenced *Calgary Assessment Review Board ARB0533/2010-P* regarding land rates of \$620,000 per acre.

The Respondent referenced in its submission *Calgary Assessment Review Board ARB 0638/2010-P*, and *ARB 0522/2010-P*.

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 argument and evidence that supported the value of extra land at \$620,000 per acre.

The \$620,000 per acre excess land rate was supported by the Complainant's sales comparables.

**Board's Decision:**

For the reasons set forth above, the assessment of the subject property is hereby adjusted as follows: \$2,890,000.

DATED AT THE CITY OF CALGARY THIS 13 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.*