

**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:**

**COMPLAINANT**  
***Altus Group***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***Board Chair, J. Zezulka***  
***Board Member 1, E. Reuther***  
***Board Member 2, B. Jerschel***

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: 137037107**

**LOCATION ADDRESS: 4343 – 114 Ave. S.E.**  
**Calgary, Alberta**

**HEARING NUMBER: 56445**

**ASSESSMENT: \$13,520,000**

This complaint was heard on \_\_13\_\_ day of \_\_August\_\_, 2010 at the office of the Assessment Review Board located at Floor Number \_\_3\_\_, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom \_\_8\_\_.

Appeared on behalf of the Complainant:

- *D. Mewha*

Appeared on behalf of the Respondent:

- *K. Gardiner*

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

Not Applicable

**Property Description:**

A single tenant industrial premises, comprised of 9.41 acres of land, improved with an industrial warehouse of 86,515 s.f. with a 75,440 s.f. footprint. The location is the South Foothills Industrial Park. There are 4.00 acres classified as extra land.

**Issues:**

1. The assessed value is in excess of its market value as indicated by the direct comparison approach.
2. The assessed value is inequitable with similar and competing property assessments.
3. The value attributed to the land is overstated.

**Complainant's Requested Value:** \$10,980,000, or \$127 per s.f.

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

The Board notes that the overall assessment calculates to \$156.27 per s.f. of gross building area, including land.

Issue 1

At the outset, the Complainant pointed out that (a) the assessment increased from 2008 to 2009, in spite of a "down" market, and (b) the assessment was reduced by the Municipal Government Board from \$12,900,000 to \$11,060,000 in January, 2010.

In support of his position, the Complainant submitted five comparables on page 18 of his submission. All were single tenant properties between 50,000 and 100,000 s.f. Time adjusted selling prices ranged from \$83 to \$127 per s.f. Construction dates were 1963, 1977, 1980, 1982, and 1999, compared to 2003 for the subject. Because of age, only the property at 2729 – 48 Avenue is considered to have much commonality with the subject. That property reflected a time adjusted selling price of \$127 per s.f. The comparable has eight per cent finish, compared to 24 per cent for

the subject. The appropriate adjustments produce a relative indicator of \$135 per s.f. The comparable is four years older than the subject, but the lot size is two acres smaller. A sixth transaction – at 6875-9 Street N.E. – was also presented. The property is similar in size to the subject, is four years newer, and has higher site coverage than the subject. The time adjusted selling price was \$100 per s.f. The comparable site is 3.14 acres smaller than the subject. The property sold to the existing tenant.

The respondent presented limited commentary about the Complainants comparable evidence, but did not produce any of their own evidence, except to refer the Board to the data contained in the City's valuation "model". This evidence was not very helpful to the Board.

#### Issue 2

The complainant offered four equity comparables that reflect comparable assessments of \$108 to \$119 per s.f., for an average of \$116. However, all four have site coverage ratios ranging from 28.99 to 35.15 per cent, compared to 18.4 per cent for the subject. With the appropriate land adjustment, the average relative indicator calculates to \$130 per s.f.

The respondent presented four equity comparables on page 23, that reflect assessments of \$147 to \$161 per s.f.. The average is \$145. During the hearing, it was revealed that the comparable reflecting the highest per s.f. assessment ( at 3111 Shepard Pl. S.E. ) was in fact a partial assessment on part of a larger property. The Board considered that the result could be misleading and was discarded by the Board. The resulting average calculated to \$139 per s.f. Overall, lot sizes are slightly smaller than the subject's. Ages are more or less similar. The average building size is 78,705 s.f., compared to 86,515 s.f. for the subject. The comparable considered to be the most representative of the subject is considered to be the property at 2729 – 48 Avenue. That comparable is the same primary comparable presented by the Complainant. The assessment for that property calculates to \$147 per s.f. The property sold in June, 2009 for \$127 per s.f. ( previously adjusted to \$135 per s.f. )

#### Issue 3

The complainant did not address the issue of land value, nor was any evidence presented with respect of that issue.

#### **Board's Decision:**

The assessment is reduced to \$135 per s.f. of building. That conclusion is based on the adjusted selling price of 2729 – 48 Avenue S.E. , presented by both the Complainant and the Respondent as being comparable to the subject.

The assessment is reduced to \$11,670,000.

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

  
J. Zezulka  
Presiding Officer

CC: Owner

**List of Exhibits**

C-1; Evidence submission of the Complainant

R-1; City of Calgary Assessment Brief

*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.*