

**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-26.1, Section 460(4).

between:

Colliers Int'l Realty Advisors, *COMPLAINANT*

and

The City Of Calgary, RESPONDENT

before:

J. Noonan, *PRESIDING OFFICER*

A. Wong, *MEMBER*

C. McEwen, *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:	119006500
LOCATION ADDRESS:	8515 48 St SE
HEARING NUMBER:	57572
ASSESSMENT:	\$5,490,000.

This complaint was heard on the 18th day of August, 2010 at the office of the Assessment Review Board located at the 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- D. Porteous, Associate, Realty Tax, Colliers Int'l Realty Advisors

Appeared on behalf of the Respondent:

- I. McDermott, Assessor, *The City of Calgary*

Property Description:

The subject is located at 8515 48 St SE, Calgary. It is a 39,868 sq.ft. industrial warehouse built in 1980 on 4.76 acres in the South Foothills Industrial Area. The assessed value is \$5,490,000.

Issues:

From a lengthy list of reasons for complaint, evidence and argument were presented on a single issue:

Should the assessment reflect the market value established by the sale of the subject some 26 months prior to valuation date?

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

The subject property sold for \$4,640,000 in April 2007 and is included in the City's Industrial sales model at a time-adjusted price of \$4,612,736. The Complainant requested the assessment be reduced to \$4,612,000.

The Respondent submitted the assessor must apply the valuation standards and follow the procedures set out in the regulations, and *MRAT 220/04 s 2* requires an assessment of property be prepared using mass appraisal, estimate the value of the fee simple estate, and reflect typical market conditions for properties similar to that property. The Complainant has brought forward only one market indicator, which contravenes the requirements of mass appraisal. Consequently, the City takes the position that a single sale cannot be used to establish an assessment. As well, pursuant to *Municipal Government Act s 467(3)* an assessment review board must not alter any assessment that is fair and equitable considering the valuation standards and procedures set out in the regulations, and the assessments of similar property. The Respondent presented 6 sales comparables showing a median time-adjusted value of \$137 per sq.ft., the same as the subject's assessed value, and 5 equity comparables ranging from \$117-\$148 per sq.ft.

The Composite Assessment Review Board (CARB) finds no fault with the Respondent's method in applying valuation standards and procedures. However, the assessment process has produced a valuation well in excess of the subject's time adjusted sales price: the ASR is 1.18.

The Board understands that the model will find high and low values in comparison to actual sales, and assessment review boards will only hear about those that are high.

Court decisions have held that the best indicator of value is the sale of a subject close to valuation date. Here, the sale is some 27 months prior to valuation, but if the time adjustment process is even approximately accurate, one would anticipate an ASR substantially closer to 1. The mandate of an ARB is to determine an estimate of market value for property under complaint. For some unexplained reason a property transacted at substantially less than its predicted value. The validity of the sale has not been questioned, and the Board defers to the wisdom of the market in establishing the subject's value.

Board Decisions on the Issues:

The Board reduces the assessment to \$4,612,000.

DATED AT THE CITY OF CALGARY THIS 24 DAY OF September 2010.



for 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.*