

**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:**

***Altus Group Ltd., COMPLAINANT***

**and**

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

**before:**

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

This is a complaint to the Calgary Assessment Review Board in respect of a Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>119001006</b>
<b>LOCATION ADDRESS:</b>	<b>9559 - 40 Street S.E. Calgary, Alberta</b>
<b>HEARING NUMBER:</b>	<b>59517</b>
<b>ASSESSMENT:</b>	<b>\$10,300,000</b>

This complaint was heard on 10 day of August 2010 at the office of the Assessment Review Board located at 4<sup>th</sup> floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- *D. Mewha*

Appeared on behalf of the Respondent:

- *T. Woo*

**Property Description:**

A single tenant industrial warehouse property, comprised of 18.77 acres of land, improved with an industrial warehouse of 56,151 sq. ft. There is also a single tenant industrial outbuilding of 8,400 sq. ft. for a total area of 64,551 sq. ft. The larger building has a footprint of 47,835 sq. ft. Total site coverage is 6.88 per cent. The location is the South Foothills Industrial Subdivision.

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

None were brought before the board

**Issues:**

1. Subject property is in excess of its market value as indicated by the direct sales comparison approach.
2. The subject property is inequitably assessed compared to similar and competing properties.
3. The land adjustment applied to the subject property is inequitable.

**Complainant's Requested Value:** \$8,120,000.

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

The current assessment is based on a rate of \$159.61 per sq. ft. of gross building area overall. Within the assessment, there is a \$4,957,160 land adjustment. The assessment is based on the improved property value plus 14.47 acres of extra land. This land is valued at 100 per cent of the market value, on the premise that it can be readily subdivided.

Notwithstanding the issues outlined on the Complainant's form, the primary issue boiled down to the question of potential subdivision of the site, and the \$4,957,160 extra land adjustment.

**Issue 1**

The Complainant presented six comparable sales on page 31 of the submission. The time adjusted per sq. ft. rates ranged from \$78 to \$141 per sq. ft. The average appeared at \$111 per sq. ft. None of these were disputed or discredited by the Respondent.

The Respondent presented eight industrial property transactions on page 17. Site sizes ranged from 2.91 to 9.51 acres, compared to 18.77 acres for the subject. Because difference in site sizes and site coverage ratios, the Board has difficulty in accepting much similarity between these and the subject.

## Issue 2

In support of his argument, the Complainant presented the Board with a table of properties on South Foothills that have site coverage similar to the subject where no land adjustment was applied in the assessment. In addition, the Complainant submitted a single comparable on page 29 of his submission, whereby the Complainant performed a mathematical calculation that demonstrated the inequity in the subject's assessment, and produced a revised assessment for the subject of \$8,128,589. The primary function of the exercise was to demonstrate that the implied rate of subject's main building assessment was \$68 per sq. ft. compared to \$3 per sq. ft. for the comparable assessment. The Board does not accept that \$3 per sq. ft. is a realistic amount for the subject buildings.

## Issue 3

The extra land assessment is equal to \$4,957,160, or \$342,581 per acre. The assessment is based on the Respondent's position that the land can be readily subdivided. Based on the evidence, the Board does not agree. Firstly, any subdivision will require that a new road will have to be built to provide access to a new lot off 40 Street. In addition, it appears that no more than 50 per cent of the remaining lot (after the required road area) can be economically subdivided without affecting the existing buildings. As such, the Board finds that the extra land adjustment should be based on about 9.3 acres (about 50 per cent of the total site), rather than the 14.47 acres put forward by the City. In addition, some allowance has to be made for potential subdivision costs, such as the required road.

**Board's Decision:**

The Board amends the assessment as follows;

Main Building;	\$5,261,550
Outbuilding;	\$84,000
Land; 9.3 acres @ \$342,581 =	<u>\$3,186,000</u>
Total	\$8,531,550.

The assessment is reduced to \$8,530,000.

DATED AT THE CITY OF CALGARY THIS 16 DAY OF SEPTEMBER 2010.

  
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J. Zezulka  
Presiding Officer

**List of Exhibits**

C-1; Evidence submission of the Complainant  
C-2; Altus Group Industrial Argument  
C-3; Altus Group 2010 Rebuttal Evidence  
R-1; City of Calgary Assessment Brief  
R-2; Industrial CARB; Response to Altus 2010 Industrial Argument

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*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.*