

**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:

L. Wood, PRESIDING OFFICER

P. Grace, MEMBER

B. Jerchel, 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: 200206886

LOCATION ADDRESS: 3300 8 STREET SE

HEARING NUMBER: 59779

ASSESSMENT: \$2,000,000

This complaint was heard on 1st day of September, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- Mr. R. Worthington

Appeared on behalf of the Respondent:

- Mr. R. Luchak

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

There were no procedural or jurisdictional matters raised by the parties at the hearing.

Property Description:

The subject property is a single tenant warehouse, comprised of 7,630 sq ft of rentable building area, located on a 0.78 acre site in Highfield. The warehouse was built in 2003. The land use designation is I-G, Industrial General. The site coverage ratio is 22.43.

Issues: (as indicated on the complaint form)

1. The aggregate assessment per square foot applied to the subject property does not reflect market value for assessment purposes when using the direct sales comparison approach and should be \$184 psf.
2. The value attributed to the excess land in the base rate is not reflective of market value for assessment purposes. The excess land should be calculated based on \$619,231/acre.
3. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$162 psf.

Complainant's Requested Value: \$1,350,000

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

The Board notes that there were several statements on the appendix to the complaint form; however, it will only address those issues that were raised at the hearing. The issues reflect the rates per square foot as indicated at the hearing as opposed to the complaint form.

The aggregate assessment per square foot applied to the subject property does not reflect market value for assessment purposes when using the direct sales comparison approach and should be \$184 psf.

The Complainant is requesting a reduction to the subject property's assessment from \$262 psf to \$184 psf based on the direct sales comparison approach. He submitted four sales comparables (time adjusted) from the Central quadrant that ranged from \$153 psf to \$218 psf for a median of

\$184 psf (Exhibit C1 page 13). The Respondent presented six sales comparables (time adjusted) mainly from the South East quadrant that ranged from \$223 psf to \$361 psf (Exhibit R1 page 17).

The Board placed less weight on the Complainant's sales comparables because they are significantly older than the subject property (30- 40 years) and have twice the site coverage of the subject property. The Board prefers the Respondent's sales comparables because they are similar in year of construction and site coverage as the subject property.

The value attributed to the excess land in the base rate is not reflective of market value for assessment purposes. The excess land should be calculated based on \$619,231/acre.

The Complainant submitted five vacant land sales and suggested that the median land rate is \$619,231/acre (Exhibit C1 page 14). He provided a Direct Sales Approach chart in which he applied \$619,231/acre to the subject property's excess land of 0.196131 acres and derived a land adjustment of \$72,870.

The Board placed little weight on the Complainant's land adjustment calculation because when it applies the same calculations, it derives a value of \$121,450. The Complainant failed to provide any evidence to substantiate his calculation.

Moreover, in regards to the Complainant's Direct Sales Approach chart, although he adjusted the subject property to typical site coverage of 30%, he failed to adjust it to the same level as his sales comparables at 49%. By not doing so, the Complainant failed to account for an additional 10,135 sq ft of excess land in his calculation (Exhibit C1 page 14).

The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$162 psf.

The Complainant presented five equity comparables from the Central quadrant that ranged in assessed value from \$125 psf to \$180 psf for a median rate of \$162 psf (Exhibit C1 page 15). The Respondent presented four equity comparables from both the Central and SE quadrants that ranged in assessed value from \$245 psf to \$265 psf (Exhibit R1 page 16).

The Board placed less weight on the Complainant's equity comparables because they are significantly older (30- 40 years) and most are situated on larger parcels (3.14- 4.50 acres) than the subject property. The Board prefers the equity comparables that were presented by the Respondent because they are similar in age and parcel size as the subject property.

Board's Decision:

The decision of the Board is to confirm the 2010 assessment for the subject property at \$2,000,000.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF OCTOBER 2010.



Lana J. Wood
Presiding Officer

APPENDIX A**DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:**

NO.	ITEM
Exhibit C1	Evidence Submission of the Complainant
Exhibit C2	Altus Binder
Exhibit C3	Assessment Review Board decisions & legislation excerpts
Exhibit R1	City of Calgary's 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.*