

**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:

Cushman and Wakefield Property Tax Services, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, T. Golden
Board Member, P. Charuk
Board Member, K. Coolidge***

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: 009005497
LOCATION ADDRESS: 7019 8 St. NE
HEARING NUMBER: 57736
ASSESSMENT: \$5,230,000.00

This complaint was heard on 10 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:

- *Jan Goresht*

Appeared on behalf of the Respondent:

- *D Desjardins*

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

There were no preliminary issues.

Property Description:

The subject property contains two warehouse structures with a total of 28,628/sq ft. One building is 14701/sq ft and the second is 14356/sq ft. Both structures have a 24 ft wall height. The City records show the quality of the buildings to be C+ built in 1990. The Land Use Bylaw designates the land as General Industrial and there is 25% site coverage. A traffic adjustment was made to the assessed value.

Issues:

- 1) Is the subject property being equitably assessed compared to similar buildings located in close proximity?

Complainant's Requested Value:

\$3,700,000.00

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

- 1) The subject land is not assessed equitably and the assessment must be lowered to reflect the assessment placed on other properties in the immediate area.

The Complainant explained that even though there were two buildings on the same title that the orientation of the structures meant that they would trade together on the market. The current assessment represents \$182.00/sq ft. The Complainant noted the subject was purchased in 2005 for \$82.00/sq ft. The sale was used as an indicator of excessive assessment but is not the main argument. It is contended that the main issue is equity and the fact that other similar properties in the same area are assessed less per sq ft. It was suggested by the Complainant that based on their evidence that the equitable value of the subject should be \$130.00/sq ft. To support the request the Complainant provided 19 equity comparables all from the Deerfoot Business Centre which is the

area where the subject is located. Values ranged a high of \$177.00/sq ft to a low value of \$85.00/sq ft. Both the upper and lower values were discussed and in general may be less similar than other examples provided.

The Respondent defended the assessment using both land sales and equity comparables all felt to be similar in nature to the subject. The assessment was based in part upon 4 land sales all in the north east portion of the City. These sales occurred in 2007 and 2008 and ranged from \$230.00 to \$147.00/sq ft. A table of 4 equity comparables all located in the City's north east area was presented. Sales values were shown ranging from \$202.00 to \$180.00. Referring to the Complainants equity comparisons, all being in the same industrial area, it was suggested that in terms of industrial lands the location has less impact on market value and therefore the City comparables are good evidence regarding the value of the property.

Firstly the Board accepts the Complainant's opinion that the two buildings would trade as a unit. Therefore, the Board notes that the Respondents comparable properties are all about half the total size of the subject which is 28,628 sq ft. and located on much smaller parcels as apparently the City considered the buildings individually. The land sales were considered weak but the board understands the Complainants main point of argument is that the subject is not equitably assessed compared to similar properties. When considering the equity comparisons presented by both parties the Board notes that the Complainants comparables are all in the immediate area of the subject and all in the same business park. Even if location is less important to the overall values of industrial land The Board finds that in terms of equity, properties in the immediate location carry more weight than other buildings in the same quadrant of the City but further removed.

In particular the Board was persuaded by the Complainant's equity comparable at 6835 8 St NE. which was felt to be very illustrative of the inequity. The comparable is:

- in the same area as the subject,
- of similar size,
- with the same date of construction and
- the same building quality rating

This similar property is assessed at \$121.00/sq ft. One property does not determine equity however all 19 comparables support a lower assessment based on equity and show lower per sq ft assessments than the subject. It is noted that the four City comparables are all further away from the subject and smaller in size therefore were given less weight by the Board.

Board's Decision:

The Board establishes the assessment at \$3,700,000.00

DATED AT THE CITY OF CALGARY THIS 30 DAY OF September 2010.





Presiding Officer

APPENDIX "A"

DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:

NO.	ITEM
1.	Exhibit C-1 Complaint Form
2.	Exhibit C- 2 Complainant's Brief
3.	Exhibit C-3 Equity Comparables
4.	Exhibit R-1 Respondents 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.*