

**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:

Pratap Varshney, COMPLAINANT

And

The City Of Calgary, RESPONDENT

Before:

D. Sanduga, PRESIDING OFFICER

R. Deschaine, MEMBER

R. Cochrane, 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:	200840254
LOCATION ADDRESS:	8, 5918 5 St. SE
HEARING NUMBER:	56631
ASSESSMENT:	\$378,500

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 8.

Appeared on behalf of the Complainant:

- P. Varshney

Appeared on behalf of the Respondent:

- J. Young and M. Law
The City of Calgary

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

In response to questions by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no conflict of interest with respect to this file.

There were no preliminary issues raised by the parties and the Respondent did not have any recommendations for the properties under appeal.

Property Description:

The subject property is a single story warehouse which is part of a multi bay complex. The property is designated type "B" quality which was built in 1974. The unit size is 1484 sq. ft.

Issues:

1. Assessments of other units in the same complex were reduced in 2010 by up to 15.6% while the subject property's 2010 assessment increased by 27.7%.
2. Other units in the same complex are assessed at \$163 per sq. ft. compared to the subject unit which is assessed at \$254 per sq. ft.
3. Similar comparable properties are assessed at \$125 to \$146 per sq. ft.
4. Sales of similar properties assessments valued at \$113 to \$195 per sq. ft, range (compared to the subject unit assessment at \$254 per sq. ft.)

Complainant's Requested Value:

\$160 per sq. ft. or \$240,500.

Complainant position:

The Complainant's position is that the subject property's 2010 assessment is excessive when compared to both assessment of similar properties (equity), and sales of similar properties. The subject property is a single-tenant warehouse comprised of 1484 square feet and was built in 1974. The 2010 assessment equates to \$254 per square foot.

The Complainant submitted that the important factors affecting the value of an industrial property are primarily age and location.

Twelve sales comparables (exhibit C1, pg. 4) and 17 equity comparisons were provided by the Complainant (exhibit C1 page 4). The Complainant also submitted in his rebuttal document (exhibit C2 page 2) that the subject property was purchased on March 3, 2009 for a value of \$240,000. The 2010 assessment for the subject property is \$378,500. The Complainant submitted that the City's equity and sales evidence are not comparable as they are higher quality and newer condos. The Complainant also cited Calgary Assessment Review Board 2009 decision (exhibit C2 pages 16 -18).

Position of the Respondent:

The Respondent indicated that for the 2010 assessment, the sales comparison approach was employed since there was sufficient sales data from which to derive reliable value estimates.

Mass appraisal is used to derive typical values, and data for sales occurring between January 2006 through June 2009 is used in model development and testing (exhibit R1, pg. 7).

The Respondent submitted 8 industrial condominium sales comparables exhibit R1, pg. 43) and 28 equity comparables (exhibit R1, pg. 40) to support the assessment.

The Respondent submitted that sales comparables put forward by the Complainant are questionable due to location, and condition of the property.

Findings:

The Complainant's sale number 8 (exhibit R1 page 67) and the Respondent sales 4,5 and 8 (exhibit R1 page 43) are similar in age , location and sizes of the subject property and supports a median of \$225 per square foot.

Reasons for the Decision:

The Board reviewed the Complainant's sales comparables (exhibit C1, pg.4) and noted that sales number 8 (exhibit R1 page 67) the Respondent's sales 4,5 and 8 (exhibit R 1 page 43) are similar in age, location and sizes to the subject property.

The Board finds based on the evidence presented that the 2010 assessment is too high relative to comparable sales and reduces it from \$378,500 to \$334,000.

Board's Decision:

The decision of the Board is to reduce the 2010 assessment from \$378,500 to \$334,000.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF October 2010.



D. Sanduga
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.*