

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaint against the Property assessments as provided by the *Municipal Government Act*, Chapter M-26.1, Section 460(4).

between:

Altus Group Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

W. Kipp, Presiding Officer

J. Massey, Board Member

D. Steele, Board Member

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

ROLL NUMBERS:	096021704 & 201069135
LOCATION ADDRESSES:	5471 – 54 Avenue SE, Calgary AB
	& 5563 – 55 Street SE, Calgary AB
HEARING NUMBERS:	59707 & 59845
ASSESSMENTS:	\$1,090,000 & \$1,080,000

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

Appeared on behalf of the Complainant:

- J. Smiley

Appeared on behalf of the Respondent:

- J. Lepine & J. Greer

Property Description:

This complaint involved two vacant industrial lots in Starfield Industrial in southeast Calgary. The lots are similar in size (1.14 acres and 1.13 acres) and are in close proximity to each other. Both are designated I-G Industrial General. Both are owned by Interprovincial Transfer Ltd.

Issues:

The Complainant raised the following matters in section 4 of the complaint form:

Assessment amount (No. 3 on form) and Assessment class (No. 4 on form).

The Complainant also raised the following specific issues in section 5 of the Complaint form:

- *The subject property is assessed in contravention of Section 293 of the Municipal Government Act and Alberta Regulation 220/2004.*
- *The use, quality, and physical condition attributed by the municipality to the subject property is incorrect, inequitable and does not satisfy the requirement of Section 289 (2) of the Municipal Government Act.*
- *The assessed value should be reduced to the lower of market value or equitable value based on numerous decisions of Canadian Courts.*
- *The assessment of the subject property is in excess of its market value for assessment purposes.*
- *The assessment of the subject property is not fair and equitable considering the assessed value and assessment classification of comparable properties.*
- *The information requested from the municipality pursuant to Section 299 or 300 of the Municipal Government Act was not provided.*
- *Adjustments to the base rate have been inadequately applied or not applied as compared to similar comparable and competing properties.*
- *The assessment of the subject property is in excess of its market value for assessment purpose when using the direct sales comparison approach. The rate should be \$550,000 per acre.*

At this hearing, the Complainant identified one issue: Market Value

Complainant's Requested Value:

File 59707: \$706,500

File 59845: \$700,500

Board's Decision in Respect of the Issue:

The Complainant provided a table of sales data pertaining to five land sales that occurred between July 2008 and June 2009. Four of the properties were in Dufferin Industrial, a newer industrial park in southeast Calgary and the last sale was in South Foothills which lies immediately to the south of Glenmore Trail. This last sale is the nearest in proximity to the subject lots in Starfield. The sale price of the South foothills site was \$619,231 per acre for the 1.3 acre site which was registered as a strata parcel. All five sales generated a median price of \$619,231 from a range of \$560,694 to \$625,000.

The Complainant argued that the 2010 assessments were based on a much higher base rate than the 2009 assessments but there was no evidence of any changes in the market. From 2009 to 2010, the assessments on each of the subject lots had approximately doubled.

The Respondent explained the methodology for industrial land assessment for 2010. In the southeast industrial region, almost all industrial parks have land assessments based on \$1,050,000 per acre for up to the first 1.0 acre of lot area. Any land above 1.0 acre in a lot is added at a rate of \$300,000 per acre. Both of the subject lots were assessed using this methodology.

The Respondent's evidence included a table of sales data on 13 industrial lot sales that occurred between July 2007 and March 2009. Two of the sales involved lots with less than 1.0 acre in area, two had areas between one and three acres and the others had areas that were over 3.0 acres, ranging as high as 29.75 acres. The sale properties were located in several Southeast and Central region industrial parks. When questioned, the Respondent stated that those lots with more than 4.0 acres would not be comparable to the subjects. Further, the two lots with areas of less than 1.0 acre were included to support the City's methodology of assessing the first acre of a site at a high rate. Of the three remaining sales, the median sale price rate was \$619,000 per acre.

No Dufferin land sales were used by the Respondent because Dufferin was considered to be an atypical industrial park. For some unknown reason, sales in Dufferin were not recognizing the economic principle of diminishing returns which states that larger parcels tend to sell at lower prices per acre than smaller parcels.

Findings

In view of the above considerations, the Composite Assessment Review Board (CARB) finds as follows with respect to the Issue:

The CARB finds the evidence of the Complainant to be most compelling. There is no evidence to support the Respondent's opinion that Dufferin Industrial land sales should not be compared to other southeast industrial areas. The Respondent's sales, for the most part, are not reliable as comparables because of parcel size or location, however, the best sales do tend to support the Complainant's requested base rate.

Board's Decision:

The 2010 assessments on the subject lots are reduced to reflect a base rate of \$620,000 per acre:

File 59707	5471 – 54 Avenue SE	Reduced to \$706,500
File 59845	5563 – 55 Street SE	Reduced to \$700,500

It is so ordered.

DATED AT THE CITY OF CALGARY THIS 5 DAY OF October 2010.



W. Kipp
Presiding Officer

SUMMARY OF EXHIBITS**Exhibit**

C1	Assessment Review Board Complaint Forms
C2	Complainant's Evidence Submission
R1	Respondent's Evidence Submission – File 59707
R2	Respondent's Evidence Submission – File 59845

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.*