

**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-26.1, Section 460(4).

between:

Assessment Advisory Group, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

H. Kim, PRESIDING OFFICER

R. Cochrane, MEMBER

S. Rourke, MEMBER

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

ROLL NUMBER:	049013105
LOCATION ADDRESS:	2552 27 St NE
HEARING NUMBER:	58407
ASSESSMENT:	\$1,990,000

This complaint was heard on the 21st day of October, 2010 at the office of the Assessment Review Board located at the 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

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

One of the pages in the Complainant's package had information cut off due to incorrect alignment of the printer. The Complainant requested that a replacement page be accepted. The original disclosure was sent electronically and the page was intact, this defect only affected the packages presented at the hearing. With the concurrence of the Respondent the replacement page was accepted and entered into evidence.

Property Description:

The subject property is a single tenant industrial warehouse in the Sunridge Industrial district in the Northeast zone constructed in 1996. It consists of 8,693 SF rentable area with 19% finish on a 0.99 ac parcel designated Industrial General (I-G). Building footprint is also 8,693 SF for site coverage of 20.19%. It is assessed on the sales comparable approach at \$229/SF.

Issues:

The Complainant identified a number of issues on the Complaint form; however at the hearing the only issue argued and considered was whether the assessment reflected market value.

Complainant's Requested Value: \$1,600,000 revised to \$1,686,442 at the hearing

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

Complainant's position:

The Complainant presented four sales of comparables in the Northeast zone (Meridian, Skyline West, North Airways and Horizon) of warehouses between 7,920 and 15,000 SF net rentable area, built 1966 to 1982, that sold between January 2008 and September 2009. They had site coverage of 21 to 48% with sale prices of \$73/SF to \$242/SF. With adjustments for sale date, building size, site coverage and age, the indicated value of the subject is \$194/SF, the basis for the requested value.

Respondent's position:

The Respondent presented evidence that the Complainant's Sale #1 was not a market sale, it had been purchased by the tenant pursuant to an Option to Purchase and Right of First Refusal contained in an Offer to Lease dated June 14, 2004. Sale #4 is not comparable as the site is zoned Commercial-Corridor 3 and not Industrial-General. Sales #2 and #3 are the only comparable sales and the Complainant's adjusted sale prices are \$202/SF and \$276/SF. The median is \$239 compared to the subject at \$229/SF. In view of the Complainant's sales supporting the assessment, the Respondent did not provide further sales evidence.

Decision and Reasons:

The Board agreed with the Respondent that the Complainant's Sale #1 did not appear to be a market sale, particularly given its sale price at \$73/SF with other comparables at \$170 to

\$242/SF in a similar time frame.

The Board does not agree with the Respondent that Sale #4 is not relevant given the use of the property is described on the RealNet details as a two storey, single tenant industrial building and that the purchaser intends to utilize the property for their own granite, tile and cabinet business.

The Board considered the three sales, #2, 3 and 4, however noted that the average of the adjusted sale prices was \$227.67/SF. Therefore the Board found the sales support the \$229/SF assessment of the subject property.

Board's Decision:

The complaint is denied and the assessment confirmed at \$1,990,000.

DATED AT THE CITY OF CALGARY THIS 2nd DAY OF November 2010.



H. Kim

Presiding Officer

APPENDIX "A"**DOCUMENTS RECEIVED AND CONSIDERED BY THE BOARD:**

NO.	ITEM
C1	Complaint Form
C2	Complainant's submission
C3	Replacement page 16
R1	Respondent's submission

APPENDIX 'B'**ORAL REPRESENTATIONS**

PERSON APPEARING	CAPACITY
Troy Howell	Assessment Advisory Group, Complainant
Megan Lau	Assessor, City of Calgary, Respondent

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.*