

**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 Ltd., *COMPLAINANT*

and

The City Of Calgary, RESPONDENT

before:

J. Noonan, ***PRESIDING OFFICER***

P. Charuk, ***MEMBER***

R. Glenn, ***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:	101005304
LOCATION ADDRESS:	5507 1 St SE
HEARING NUMBER:	58401
ASSESSMENT:	\$4,400,000

This complaint was heard on the 2nd day of November, 2010 at the office of the Assessment Review Board located at the 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- T. Howell, Commercial Property Tax Agent – Assessment Advisory Group Ltd.

Appeared on behalf of the Respondent:

- G. Bell, Assessor - *The City of Calgary*

Property Description:

The subject is located at 5507 1 St SE, Calgary. It is an improved industrial property with two buildings on site, one of 4652 sq.ft. with 50% office finish built in 1959, the other with 23,265 sq.ft. and no office finish, built in 1962. Together, the two improvements cover 26.5% of 2.22 acres in the Manchester Industrial area. The assessed value is \$4,400,000.

Issue:

Do the sales and equity comparables show the subject is over-assessed?

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

The Complainant submitted 4 sales comparables and made adjustments to each where applicable for date of sale, building size, coverage and year of construction to determine an adjusted sale price per sq.ft. The average of \$151 was then applied to the subject in support of the requested \$4.22 million assessment. Three equity comparables with improvements ranging from 25,742 – 36,936 sq.ft were presented as rebuttal evidence to show assessments of similar properties in the range of \$113 - \$125 per sq.ft.

The Respondent presented equity comparables showing the treatment of other properties having 2 or more buildings on site, and sales comparables to justify the values established for both improvements. Though newer, the comparables to the smaller building showed values in the \$300 per sq.ft. vicinity, as compared to the subject's \$223, and for the larger building's value of \$142 per sq.ft., another group of sales showed a range of \$140 - \$216.

The Composite Assessment Review Board (CARB) found the sales evidence from both parties generally supportive of the subject's larger improvement. The difference between the parties can largely be explained by the smaller improvement of 4652 sq.ft. which as mentioned attracts a valuation of \$223 per sq.ft. in the Respondent's estimation. The CARB found the Complainant's sales comparables with improvements ranging from approximately 22,000-25,000 sq.ft. worthy of comparison to the subject's larger improvement of 23,265 sq.ft., but failed to address the smaller, separate structure. The Board found the Respondent's evidence did address this component of the subject, and was thus the better indicator of value. The CARB took note that the requested reduced amount was some 4% less than the assessment, below the usual 5% threshold the Board uses to determine whether a correction is justified.

Board Decisions on the Issues:

The Board confirms the assessment of \$4,400,000.

DATED AT THE CITY OF CALGARY THIS 10 DAY OF November 2010.



J. Noonan
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.*