

**CALGARY  
COMPOSITE 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:**

***Colliers International Realty Advisors, COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***T. Helgeson, PRESIDING OFFICER***

***J. O'Hearn, MEMBER***

***J. Joseph, 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: 033012808**

**LOCATION ADDRESS: 4100 6A Street N.E.**

**HEARING NUMBER: 58696**

**ASSESSMENT: \$1,820,000**

This complaint was heard on the 27<sup>th</sup> day of October, 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:

- *M. Uhryn*

Appeared on behalf of the Respondent:

- *M. Berzins*

#### **Property Description:**

The subject property consists of a 9,600 square foot log house (used as an office) and two sheds on a 1.58 acre parcel in the Greenview Industrial Park. Total site coverage is 9%. The subject property is zoned "Industrial-General", and has been assessed at \$1,820,000, or \$1,151,899 per acre. On appeal, the Municipal Government Board reduced the 2009 assessment from \$1,820,000 to \$1,300,000, or \$822,785 per acre.

#### **What the Complainant said:**

The best sales comparable is to the north of the subject property and adjacent to it, i.e., 4144 6A Street N.E., with a total building area of 5,910 square feet on 1.57 acres. 4144 6A Street N.E. sold for \$725,000, or \$461,783 per acre, in November, 2007. In 2009, the Assessment Review Board reduced the assessment of this comparable from \$1,190,000 to \$810,000, its time adjusted sale price. Industrial land sales in the northeast from December, 2006 to March of 2008, show time-adjusted values\* from \$936,131 to \$320,820 per acre, for a mean of \$687,449 and a median of \$735,449.

4144 6A Street N.E. is known to be contaminated with wood-preservative hydrocarbons. The land slopes downward to the southwest, and two test wells on the north side of the subject property indicate that the contamination may be spreading. The Assessor gave no adjustment for contamination, but the grounds on which the Municipal Government Board reduced the 2009 assessment of the subject property was contamination on the property to the north. Significantly, the Municipal Government Board used the sale of 4144 6A Street N.E. as the basis for its valuation of the subject property.

The subject is located in Greenview, an older industrial neighbourhood that does not compare well with more modern industrial areas. Land sales in Greenview establish land values in Greenview. A land only value of \$750,000 per acre is fair and reasonable in the circumstances, hence the appropriate assessed value for the subject property, including the costed-out value of the buildings, is \$1,430,000.

\* Using the Assessor's time-adjusted rate.

#### **What the Assessor said:**

There is no issue with respect to building value, just land value. The two sheds at the rear of the site were awarded most of the depreciation due to the years in which they were built. The "office"

building was "costed" because there were no sales of log cabins on industrial land. The contamination is centered on 4144 6A Street, and is reducing over time. There is no evidence the subject is contaminated. Furthermore, the 2007 sale of the 4144 6A Street N.E. was non-arms length, hence not reflective of fair market value.

Zoning is critical; the five most comparable properties that support the assessment of the subject are all zoned I-G, and show a range of values (as time adjusted) from \$953,000 to \$1,406,000 per acre. The sale of 4144 6A Street N.E. is not typical. The assessment of the subject property is clearly supported by the comparables.

**Issues:**

Is the assessment of the subject property fair and reasonable for a 1.58 acre property in the Greenview industrial neighbourhood?

**Findings of the Panel:**

In reviewing the evidence, the panel noted that while the Assessor's sales comparables were all zoned I-G, just like the subject property, the parcel sizes of three of the comparables were less than one acre, and the other two comparables were larger than the subject property, i.e., at 1.772 and 1.845 acres. The most comparable of the Assessor's comparables in terms of zoning and location in the northeast were 3820 32<sup>nd</sup> Avenue N.E. and 2752 Sunridge N.E., with 2008 time adjusted sales dates, and sale values of \$1,089,449 and \$1,213,318 per acre, respectively, nevertheless neither of the comparables were from industrial areas similar to Greenview.

All of the Complainant's sales comparables were from the northeast, and one, a vacant parcel at 620 46<sup>th</sup> Avenue N.E., is situated in Greenview. Although the sale occurred back in December of 2006, the parcel size was 4.27 acres and there was no access from McKnight Boulevard, the comparable is in the right neighbourhood. Its time-adjusted sale price was \$718,319 per acre. Although the Complainant's other comparables were from the same quadrant, i.e., the northeast, there was little other evidence of similarity to the subject property in terms of neighbourhood characteristics. For this reason, the two comparables located in the Westwinds Business Campus were discounted. Nevertheless, the average value per acre of the remaining four comparables was \$823,922, substantially less than the assessed value per acre (at \$1,151,899) of the subject property, and very close to the assessed value the Municipal Government Board arrived at for the 2009 assessment of the subject property, i.e., \$822,785 per acre.

**Decision of the Panel:**

In the final analysis, there was no substantive evidence that hydrocarbons from the subject's neighbouring parcel, 4144 6A Street N.E., had migrated to the subject property, and contaminated it. Nevertheless, the fact that the subject property is adjacent to a contaminated parcel might well have a negative effect on the value of the subject property, but no evidence was led on this issue. The Greenview industrial neighbourhood is old, and somewhat run down, and the panel agrees with the Complainant that Greenview land sales are the best determinant of land values in Greenview.

Although the 2007 sale of the subject property's next door neighbour, 4144 6A Street N.E., is questionable, the Assessment Review Board appears to have relied on the sale in reducing the assessed value of the property to \$810,000, or \$515,924 per acre, a substantially lesser value than the Complainant is requesting for the subject parcel. Then there is 620 46<sup>th</sup> Avenue N.E., a vacant

parcel located in Greenvue near McKnight Boulevard, but without access to McKnight. Despite an early sale, i.e., December, 2006, its time-adjusted sale price per acre is \$718,319. Although at 4.22 acres it is, in the view of the panel, the best comparable.

Having taken all of the evidence and argument into consideration, it is the decision of this panel that a reasonable land value for the subject is \$750,000 per acre. That, with the uncontested improvement value, would result in an assessment of \$1,430,000, which, in the view of this panel, is fair and reasonable. The assessment of the subject property is hereby reduced to \$1,430,000.

DATED AT THE CITY OF CALGARY THIS 9<sup>th</sup> DAY OF NOVEMBER 2010.



**T. Helgeson**  
**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.*