

**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:

Assessment Advisory Group, 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: 034014001

LOCATION ADDRESS: 332 40th Avenue N .E.

HEARING NUMBER: 58960

ASSESSMENT: \$1,010,000

This complaint was heard on the 28th 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:

- *T. Howell*

Appeared on behalf of the Respondent:

- *M. Berzins*

Property Description:

The subject property consists of a single-tenant industrial warehouse on 0.21 acres of land in the Greenview industrial area of northeast Calgary. Constructed in 1966, the warehouse has a net rentable area of 6,000 square feet, 40% office finish, and site coverage of 64.5%. The subject property has been assessed at \$1,010,000, or \$168 per square foot of net rentable building area.

Issue:

Is the assessment of the subject property correct, fair and equitable?

Complainant's Requested Value:

The assessment of the subject property is too high. Adjusted sales comparables average \$152 per square foot, which supports a reduced assessment for the subject property of \$912,000. For example, a comparable property at 71 Skyline Crescent N.E. on a 0.17 acre site, with site coverage of 68% and building area of 5000 square feet, sold for \$220 per square foot in January of 2008. As adjusted for time of sale (-6%) and year of construction (-10%), the current value is \$185 per square foot. Similarly, 1936 27th Avenue N.E., in South Airways, which sold in May of 2008 for \$143 per square foot, when adjusted for date of sale, building size, site coverage and year of construction, indicates a current value of \$127 per square foot.

Another comparable, 135 Skyline Crescent N.E. in the Skyline West area, sold for \$170 per square foot in June of 2008. When adjusted for time of sale, site coverage and year of construction, that value is \$143 per square foot. Finally, there is 3405 32nd Street N.E., which sold for \$171 per square foot in September of 2009. With appropriate adjustments to update it, that value is currently \$154 per square foot. Assessment Review board decisions #0524 and #0899 support the adjustments used.

Assessor's Response:

Six sales comparables, all but one located in the Greenview industrial area, support the assessment. Parcel sizes of these comparables are small, from 0.14 of an acre to 0.46 of an acre, site coverages range from 21.53% to 83.20%, net rentable areas between 4,200 to 8,000 square feet, and time-adjusted sale prices are from \$164 to \$276 per square foot, for a median of \$196 per square foot. The seven equity comparables submitted, all with similar parcel sizes and site coverage and in the same general sub-market, show per square foot building values of from \$163 to \$175. There is no substantive evidence to support the adjustments made to the Complainant's comparables, i.e., for date of sale, building size, site coverage, and year of construction. They are arbitrary.

In its decision in ARB 0530/2010-P, a Composite Assessment Review Board panel found that similar adjustments relied on by the Complainant in that case were not supported by evidence. In any event, two of the Complainant's sales comparables, i.e., 135 Skyline Crescent N.E. and 1936 27th Avenue N.E., with per square foot values of \$143 per square foot and \$127 per square foot respectively, support the assessment of the subject property, even though those values were derived by application of the Complainant's arbitrary adjustments. The assessment of the subject property is correct, and fair and equitable, and should be confirmed.

The Panel's Decision:

In the opinion of the panel, no adjustment to the assessment is warranted. Both the sales and equity comparables of the Respondent support the assessment, as do two of the Complainant's sales comparables, even with values as adjusted by the Respondent. In the result, the panel finds that the evidence of the Complainant fails to support an adjustment to the assessment of the subject property, and accordingly, the assessment is confirmed at \$1,010,000.

DATED AT THE CITY OF CALGARY THIS 1st DAY OF DECEMBER 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.*