

**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, Revised Statutes of Alberta 2000 (the Act).

between:

Reimer World Properties Corp. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

S. Barry, PRESIDING OFFICER

R. Kodak, MEMBER

D. Morice, MEMBER

This is a complaint to the Composite Assessment Review Board (CARB) in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2011 Assessment Roll as follows:

ROLL NUMBER:	135000206
LOCATION ADDRESS:	10120 52 St. S.E. Calgary, Ab.
HEARING NUMBER:	63442
ASSESSMENT:	\$5,240,000

This complaint was heard on 17th day of June, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *D. Mewha*

Appeared on behalf of the Respondent:

- *J. Lepine*

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

The Respondent objected to several items in the Complainant's Rebuttal document as being new evidence, in particular: the equity comparable on page 3; the sales on page 4; and, the Assessment Summary Report on page 5. In response, the Complainant noted that the equity comparable on page 3 is contained in Complainant C1; that two of the sales on page 4 are in the City's R1 document and agreed to remove the bottom two being roll numbers 093153807 and 115054108. The property identified on page 5 was, it was agreed, referenced in previous documents. The Board allowed the Rebuttal with the exception of the noted two roll numbers. Please see reference to common material in CARB 0865/2011-P.

Property Description:

The property under complaint is a 9.62 acre industrial parcel located in the East Shepard Industrial district within the I-G land use district. The parcel contains two buildings constructed in 1980. The first has an assessable area of 27,620 square feet (sq.ft.) and is assessed at \$159/sq.ft.. The second is 3,486 sq.ft. and is assessed at \$242/sq.ft. Both buildings have office components. The buildings have 6.11% site coverage. The Assessment Explanation Supplement identifies 7.66 acres of extra land which has not been assessed separately by the City.

Issues:

The Complaint Form raised some twelve issues or grounds of complaint which can be summarized, as follows:

1. The City has used the incorrect valuation: the correct valuation method is the income approach.
2. The property details are incorrect as is the application of relevant influences.
3. The assessment is too high and reflects neither market value nor equity.

Complainant's Requested Value: The assessment requested on the Complaint Form was \$3,600,000. At the hearing, the requested assessment was revised to \$3,410,000.

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

1. At the hearing, the Complainant abandoned arguments on the income approach and relied on direct sales comparisons for market value and equity.
2. There was some confusion on the correct parcel size when various documents were submitted. The City confirmed the correct size is 9.62 acres, reduced from 9.78 for road widening. Additionally, there were inconsistencies in terms of the level of servicing available to the property. In an earlier hearing from this group of properties, decided in 0857/2011-P conflicting information was provided about the level of servicing available along 52 Street. In this instance, the Complainant relied on the City's Assessment Summary Report that there were only partial services to the site. The Respondent, in R-2, indicates that the property is fully serviced. The Board could not find one way or the other on this issue based on the information before it and decided to evaluate its importance within the context of the other arguments.
3. Consistent with other hearings in this group of complaints, the Complainant presented three comparables from South Foothills as evidence of market. The sale at 9415 48 St. S.E. is compromised by a vendor lease back and is approximately half the size of the subject with more site coverage and older buildings. The property at 6215 86 Ave. is similarly smaller in size and has considerably more site coverage although the buildings are of similar age. With no direction on how to adjust for size in the market, these comparables are given little weight. However, the property at 9416 40th Street is a good match for parcel and building size, site coverage and year of construction. This sale would normally be considered dated but, as evidenced in an earlier hearing in this group of complaints (CARB 0865/2011-P), the sale has been appropriately time adjusted to \$3,760,000. The Complainant argued that South Foothills, where these referenced properties are situated, is similar to the subject site in terms of land uses, parcel sizes and servicing constraints. In fact, the subject property is located across from and adjacent to the canal that divides the two districts.

In terms of equity, only two of the Complainant's comparables are similar to the subject in terms of parcel size but different in building size. Equity with these was not demonstrated.

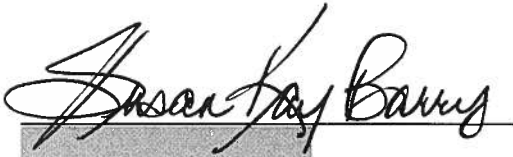
The Respondent also produced a number of sales comparables of which only one has a similar parcel size but much smaller buildings with half the site coverage. As with 9415 48 St. S.E., it is a 2007 time adjusted sale for \$4,425,627. However, without any documentation to support the sales the Board could not determine what influences may have factored into these sales. The Respondent noted pre-2008 land use bylaw influences but the properties in both areas are currently IG and, as discussed in the related decision noted above, the proposed bylaw amendments would have been known to knowledgeable buyers and sellers.

The Board noted that both of the Parties used comparables from South Foothills but found that the Respondent did not provide sufficient information on his comparables to allow the Board to properly evaluate them. The Complainant's sale at 9416 40th St. S.E., was compelling in the absence of other evidence and the Board allowed the complaint.

Board's Decision:

The 2011 assessment is reduced to \$3,410,000.

DATED AT THE CITY OF CALGARY THIS 29 DAY OF JUNE 2011.



S. Barry, Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant's Disclosure
2. R1	Respondent's Disclosure
3. R2	Coloured Schematic identifying area servicing

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.*