

**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, Section 460, Revised Statutes of Alberta 2000 (the Act).

**between:**

***Armtec Holdings Limited, as represented by Altus Group, COMPLAINANT***

**and**

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

**before:**

***Board Chair, J. Zezulka  
Board Member 1, D. Pollard  
Board Member 2, K. Farn***

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

<b>ROLL NUMBER:</b>	<b>094000510</b>
<b>LOCATION ADDRESS:</b>	<b>4300 – 50 Ave. S.E., Calgary, Alberta</b>
<b>HEARING NUMBER:</b>	<b>63820</b>
<b>ASSESSMENT:</b>	<b>\$9,230,000</b>

This complaint was heard on the 20<sup>th</sup> day of June, 2011 at the office of the Assessment Review Board located at Boardroom 1, 4<sup>rd</sup> Floor, 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- *J. Smiley*

Appeared on behalf of the Respondent:

- *I. Baigent*

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

Not Applicable

**Property Description:**

The property consists of a concrete products fabrication plant on 21.13 acres situated in the Eastfield Industrial District in South East Calgary. Eastfield is an older industrial district.

**Issues:**

1. The assessed value of the land is in excess of its market value. The improvements, assessed at \$1,387,065, is not under complaint.
- 2.

**Complainant's Requested Value:**

\$8,530,000, based entirely on a reduction of \$790,000.00 in the land value. The land assessment is currently based on \$440,000.00 per acre, and the Complainant is seeking a reduction to \$330,000.00 per acre.

In the Summary of Testimonial Evidence, the Complainant states;

1. *The subject is an industrial property in SE Calgary. It has been assessed on a costed basis.*
2. *The value being applied to the land is too high, as it does not seem to adequately value such a large parcel.*
3. *Reviewing large parcel industrial land sales from recent years, one finds that \$330,000.00 is a reasonable estimate of value for parcels in the size range of the subject.*
4. *Using this as a per-acre value to calculate the assessment of the property returns a value that is within 1.5 % of the 2010 assessment.*
5. *As the market has been flat to declining, this is strong support for the acreage value being \$330,000 per acre.*

**Evidence**

The Complainant presented five land transactions that were held to be comparable to the subject. Lot sizes ranged from 19.91 to 29.75 acres. The median and average were \$316,497.00 and \$294,163.00 respectively. One of the transactions was a post facto sale. Excluding this transaction, the median of the remaining sales is \$330,000.00 per acre. All of the transactions are located in outlying areas of the City.

The Complainant also stated that the subject's assessment has increased by 12.1 per cent since 2010, at a time when the City has generally reduced land rates. That assertion was not controverted or questioned by the Respondent.

In response, the Respondent presented four industrial land transactions. Three of the properties are in Dufferin, and reflected per acre amounts of \$431,885.15 to \$646,462.78 per acre.

In addition, the Respondent held that the subject possessed superior subdivision potential and there was added value that attaches to that potential.

**Board's Findings:**

As far as the Respondents subdivision potential argument is concerned, this Board does not accept that any additional value attaches to the land as a result. Market value of any property is contingent on that property's Highest and Best Use. However, for any Highest and Best Use to have credibility, the proposed or contemplated use must be not only possible, but also probable. The buildings on the subject land appear substantial and could possess a long remaining economic life. The existing tenant uses the entire site, and there is no evidence to suggest that the tenant is contemplating any change in the operation, or a change in location, in the foreseeable future. Potential subdivision of the subject land in the foreseeable future appears speculative at best.

Of the Respondent's data, three are located in Dufferin, which is a newer, up scale developing industrial subdivision with wide, modern roadways, and modern amenities. The Dufferin comparables are considered superior to the subject by reason of location. The fourth comparable is a partially serviced parcel of similar size to the subject. That comparable reflects a selling price of \$297,712.08 per acre – not unlike the Complainant's requested assessment.

**Board's Decision:**

The Board finds the Complainant's evidence to be the most convincing. The land assessment is reduced to \$330,000.00 per acre. Including the improvements, the total assessment calculates to \$8,360,000.00.

DATED AT THE CITY OF CALGARY THIS 21 DAY OF July 2010.

  
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J. Zezulka

Presiding Officer

CC: Owner

**List of Exhibits**

C-1; Evidence submission of the Complainant

R-1; City of Calgary Assessment Brief

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*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.*