

**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:

Southland Transportation Ltd., (as represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Hudson, PRESIDING OFFICER

E. Reuther, MEMBER

B. Jerchel, MEMBER

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:

ROLL NUMBER: 091003400

LOCATION ADDRESS: 4105 13A ST SE

HEARING NUMBER: 61088

ASSESSMENT: \$1,350,000

This complaint was heard on the 29th day of September, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- R. Worthington

Appeared on behalf of the Respondent:

- R. Luchak

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

There were no procedural or jurisdictional matters raised by the parties.

Property Description:

The subject property is a 1.88 acre parcel of land located in the Alyth/Bonnybrook industrial area, improved in 1965 with a 2,080 square foot (sf.), building with a basement that accommodates the dispatch office of Southland Transportation Ltd. Office finish is 100%, and site coverage 2.54 %. The current assessment amount is \$1,350,000 or \$419 per square foot (psf.), of net rentable area; including the improvement and an adjustment for 1.72 acres of extra land.

Issues:

Does the Current Assessment Amount Exceed the Market Value of the Subject Property?

Should the Assessment be Estimated Based on Land Value Only?

Complainant's Requested Value: \$987,000 based on land as vacant @ \$525,000 per acre.

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

Does the Current Assessment Amount Exceed the Market Value of the Subject Property?

The Board finds that the subject property is not a typical industrial warehouse. The improvement is very small in relation to the size of the parcel, and does not contribute to market value in any significant way.

The Complainant acknowledged that vacant land assessment values for I-G classified properties such as the subject are set at \$525,000 per acre. Given the lack of utility of the dispatch office for another use, and the fact the office only covers 2.54% of the parcel area; the property should not be considered a typical industrial warehouse property. The Capitalized

Income approach to estimate market value is not viable, and it would be very difficult to find sales of similar properties in order to estimate market value based on the Direct Sales Comparison approach. The Complainant suggested the land as vacant as the best method to estimate market value for the subject property.

The Respondent submitted four (4) sales comparables, (Chart, page 32 of Exhibit R1). However, none of the sales comparables were similar to the subject in terms of site coverage in particular.

Should the Market Value Assessment be Estimated Based on Land Value Only?

The Board finds that the best estimate of market value for the subject property should be based on the land as vacant.

The subject property is not typical in the industrial market. The improvement does not contribute positively to market value.

Board's Decision: The assessment is reduced to \$987,000

DATED AT THE CITY OF CALGARY THIS 4 DAY OF November 2011.



T. B. Hudson
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

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.*

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<i>Decision No.</i>		<i>Roll No.</i>		
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Industrial	Office	Market Value	Land as vacant