

**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:**

***360522 Alberta Ltd. (as represented by AltusGroup), COMPLAINANT***

**and**

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

**before:**

***Board Chair, J. Zezulka  
Board Member 1, S. Rourke  
Board Member 2, A. Wong***

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: 201485984**

**LOCATION ADDRESS: 9420 – Endeavor Drive SE**

**HEARING NUMBER: 62916**

**ASSESSMENT: 3,280,000.00**

This complaint was heard on 11 day of July, 2011 at the office of the Assessment Review Board located at Floor Number Four, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom One

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:**

At the outset of the hearing, the Respondent recommended an amended assessed value of \$2,460,000 be accepted by the Board. The recommendation is based on a 25 per cent reduction to the assessment because of lack of municipal servicing.

**Property Description:**

The property is a single tenant warehouse property, containing 16,150 s.f., constructed in 2009, situated on 1.64 acres, located in Walton Industrial Park. The site coverage is 20.91 per cent. Walton Industrial Park is part of an area annexed into the City from the Municipal District of Rocky View in 2007. The area has no deep utilities installed, but has gravel roads, power, septic service and well water. The current assessment calculates to \$203.19 per s.f. including land and building. The City's recommended assessment is \$152.32 per s.f.

**Issues / Appeal Objectives**

1. Show evidence the Cost Approach to Value is the best method of assessment valuation for the subject property given its characteristics.
2. Enable the CARB to conclude that, for assessment purposes, the subject is best suited to be valued on the cost approach to value.

**Complainant's Requested Value:** \$1,570,000.00

**Evidence**

The Complainant submitted ten land sales in Walton Park that occurred in 2008 and 2009. Lot sizes range from 4.0 to 21.870 acres. With the exception of one property, the transactions all reflected a selling price of \$240,000 per acre. That rate corresponds to the City's SE ES4 rate of \$235,000 per acre.

The Complainant also submitted ten equity comparables. The 2011 assessment per s.f. ranged from \$92. to \$173 per s.f. Of the comparables, five were assessed on the basis of cost, three were based on sales comparison, and the assessment method was unknown for the remainder. The Complainant extracted the land component from each property, on the basis of \$235,000 per acre. The resulting calculations produced a building only cost range of \$52 to \$105 per s.f.

The Respondent based the assessment on the cost approach to value. The cost calculations were not entered into evidence. However, the Respondent submitted a building permit sheet for

a nearby property, showing a total estimated construction cost of \$2,000,000. No details or explanation about the permit information was forthcoming. As such, the board did not find this information very helpful.

The Respondent admitted to irregularities, and inequities during a transition period when land is annexed from another jurisdiction.

One improved property transaction was presented by the Respondent. The property, at 9550 – 114 Avenue SE, reflected an overall selling price of \$217 per s.f. including land. The building was constructed circa 2005. The building is considered to be physically superior to the subject. In addition, the comparable has site coverage of approximately 6.1 per cent, about one third the site coverage of the subject.

The Respondent also submitted undeveloped land sales. These reflected selling prices between \$348,958 and \$360,000 per acre, before the City's minus 25 per cent adjustment is applied.

**Board's Decision**

The Board accepts that the appropriate land rate for the subject land is \$235,000 per acre, as suggested by the Complainant's evidence. As far as the subject building value is concerned, the Board adopts \$105 per s.f. being the high end of the value range indicated by the Complainant's equity comparisons.

Adding the land and improvements, the amended assessment calculates to \$2,081,150.

The assessment is truncated to \$2,080,000.

**DATED AT THE CITY OF CALGARY THIS 3 DAY OF August 2011.**



**Jerry Zezulka**  
**Presiding Officer**

**APPENDIX "A"**

**DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
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1. C1 Evidence Submission of the Complainant
2. R1 Evidence Submission of the Respondent

*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.*