

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaints against the property assessments as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

between:

***ING Industrial Fund I Inc. c/o ING Real Estate
(as represented by Altus Group Limited), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***J. Krysa, PRESIDING OFFICER
D. Pollard, MEMBER
D. Julien, MEMBER***

These are complaints to the Calgary Assessment Review Board in respect of property assessments prepared by the Assessor of The City of Calgary and entered in the 2011 Assessment Roll as follows:

ROLL NUMBER:	096019302	096019401
LOCATION ADDRESS:	6219 57 St SE	6335 57 St SE
HEARING NUMBER:	63933	63931
ASSESSMENT:	\$15,380,000	\$10,350,000

The complaint was heard on August 12, 2011, in Boardroom 1 at the office of the Assessment Review Board, located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- D. Mewha

Appeared on behalf of the Respondent:

- J. Young

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

There were no procedural or jurisdictional matters raised by either party during the course of the hearing.

Property Descriptions:

The subject properties are two, individually titled parcels of vacant, serviced industrial (I-G) land, 34.780 Acres (6219 57 St SE) and 21.629 Acres (6335 57 St SE) in size.

Issues:

The Complainant raised the following matters in section 4 of the complaint forms:

3. an assessment
4. an assessment class

The Complainant did not pursue matter #4, and led evidence and argument only in relation to matter #3, an assessment amount. The Complainant set out 9 grounds for the complaints in section 5 of the complaint forms, however at the hearing the Complainant identified only the following issue in dispute:

- The subject properties are assessed in excess of their market value, as the Assessor's land valuation formula does not adequately reflect diminishing returns as related to large parcel sizes.

Complainant's Requested Value:

ROLL NUMBER:	096019302	096019401
LOCATION ADDRESS:	6219 57 St SE	6335 57 St SE
ASSESSMENT:	\$15,380,000	\$10,350,000
REQUEST (COMPLAINT FORM):	\$ 8,690,000	\$ 5,400,000
REQUEST (AT HEARING):	\$13,560,000	\$ 8,430,000

Parties' Positions:

The Complainant argued that the current land valuation formula applied by the Assessor overvalues large, industrial parcels of land, and that the subject properties should be assessed at a rate of \$390,000 per acre. The Complainant further argued that as there has been a dearth of recent sales of large industrial land parcels, the significant increase in assessment values between 2010 and 2011 as outlined below, is unwarranted and without support.

LOCATION ADDRESS:	6219 57 St SE	6335 57 St SE
2010 ASSESSMENT:	\$ 5,910,000	\$ 6,660,000
2011 ASSESSMENT:	\$15,380,000	\$10,350,000

The Board did not find the Respondent's sales evidence to be compelling, as the largest parcel in the analysis is 13.55 acres, in contrast to the subject properties at 21.629 and 34.780 acres. Further, the Board applied little weight to the Respondent's \$525,000 land rate formula applicable to the "first 10 acres", as the Respondent's analysis illustrated that the 9.5 acre parcel sold at a rate of \$446,109 per acre; well below the \$525,000 base rate conclusion.

The Board further applied the Assessor's formula to the large parcel sales in evidence from both parties as set out below:

10351 46 St SE (R1, p.13)

Size (Acres)	Base Rate	Factor	Effective Rate	Acres	Value
First 10	\$ 525,000.00	100%	\$ 525,000.00	9.500	\$ 4,987,500
10 to 20	\$ 525,000.00	85%	\$ 446,250.00	0.000	\$ -
> 20 Acres	\$ 525,000.00	75%	\$ 393,750.00	0.000	\$ -
				9.500	\$ 4,987,500
Time Adjusted Sale Price					\$ 4,239,375

4700, 4750 102 Ave SE (R1, p.13)

Size (Acres)	Base Rate	Factor	Effective Rate	Acres	Value
First 10	\$ 525,000.00	100%	\$ 525,000.00	10.000	\$ 5,250,000
10 to 20	\$ 525,000.00	85%	\$ 446,250.00	3.550	\$ 1,584,187
> 20 Acres	\$ 525,000.00	75%	\$ 393,750.00	0.000	\$ -
				13.550	\$ 6,834,187
Time Adjusted Sale Price					\$ 5,850,316

5925 94 Ave SE (C1, p.14)

Size (Acres)	Base Rate	Factor	Effective Rate	Acres	Value
First 10	\$ 525,000.00	100%	\$ 525,000.00	10.000	\$ 5,250,000
10 to 20	\$ 525,000.00	85%	\$ 446,250.00	10.000	\$ 4,462,500
> 20 Acres	\$ 525,000.00	75%	\$ 393,750.00	2.610	\$ 1,027,687
				22.610	\$ 10,740,187
Time Adjusted (Jan 08) Sale Price					\$ 7,000,059
Time Adjusted (Sep 08) Sale Price					\$ 6,681,850

7310 108 Ave SE (C1, p.14)

Size (Acres)	Base Rate	Factor	Effective Rate	Acres	Value
First 10	\$ 525,000.00	100%	\$ 525,000.00	10.000	\$ 5,250,000
10 to 20	\$ 525,000.00	85%	\$ 446,250.00	10.000	\$ 4,462,500
> 20 Acres	\$ 525,000.00	75%	\$ 393,750.00	5.070	\$ 1,996,312
				25.070	\$ 11,708,812
Time Adjusted Sale Price					\$ 9,724,262

5502 72 Ave SE (C1, p.14)

Size (Acres)	Base Rate	Factor	Effective Rate	Acres	Value
First 10	\$ 525,000.00	100%	\$ 525,000.00	10.000	\$ 5,250,000
10 to 20	\$ 525,000.00	85%	\$ 446,250.00	10.000	\$ 4,462,500
> 20 Acres	\$ 525,000.00	75%	\$ 393,750.00	9.750	\$ 3,839,062
				29.750	\$ 13,551,562
Time Adjusted Sale Price					\$ 8,739,019

With respect to the sales evidence of large industrial properties, the Board notes that the Respondent's land rate formula predicts market values in excess of the time adjusted sale price in every instance, and further, the error in the prediction generally increases as the size of the parcel increases.

Board's Decision:

The market value of the subject properties is set at a rate of \$400,000 per acre.

The assessments are **revised** as follows:

ROLL NUMBER:	096019302	096019401
LOCATION ADDRESS:	6219 57 St SE	6335 57 St SE
ASSESSMENT:	\$15,380,000	\$10,350,000
REVISED ASSESSMENT:	\$13,912,000	\$ 8,652,000

DATED AT THE CITY OF CALGARY THIS

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DAY OF OCTOBER, 2011.


 J. Krysa
 Presiding Officer

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

NO.	ITEM
1. C1	Complainant's Submission
2. C1a	Map of Subdivision
3. R1	Respondent's Submission
4. C2	Complainant's Rebuttal

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.*

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Other	Vacant Land	Sales Approach	Land Value