

**CALGARY
COMPOSITE ASSESSMENT REVIEW BOARD (CARB)
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:

Dalyle Construction Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

P. Irwin, PRESIDING OFFICER

S. Rourke, MEMBER

P. Pask, MEMBER

This is a complaint 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	LOCATION ADDRESS	HEARING NUMBER	ASSESSMENT
200867968	1, 4828 Pacific Road NE	63078	\$210,000
200867976	2, 4828 Pacific Road NE	63078	\$207,500
200867984	3, 4828 Pacific Road NE	63078	\$233,500
200867992	4, 4828 Pacific Road NE	63078	\$230,500
200868008	5, 4828 Pacific Road NE	63078	\$213,000
200868016	6, 4828 Pacific Road NE	63078	\$230,500
200868024	7, 4828 Pacific Road NE	63078	\$230,500
200868032	8, 4828 Pacific Road NE	63078	\$230,500
200868040	9, 4828 Pacific Road NE	63078	\$279,000
200868057	10, 4828 Pacific Road NE	63078	\$271,500
200868065	11, 4828 Pacific Road NE	63078	\$235,500

Property Description:

The subject properties are 11 bays in a warehouse located in the Greenview Industrial area of NE Calgary. The building was constructed in 1959. The Land Use designation is Industrial, General (I-G). The assessments were based on the sales approach to valuation. The total assessment amount for the whole building is \$2,572,000.

This complaint was heard on September 22nd, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

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

There were no Procedural or Jurisdictional matters brought forward.

Issues:

1. Are the assessments on the subject properties too high?

The Complainant described the building as an older (1959) warehouse. The Complainant stated that in 2005, as a result of losing the single tenant of the building, and difficulty in re-renting, he added separating walls to allow for smaller tenant spaces. He then registered eleven bays on the land title, but did not proceed with formation of condominiums. He now has five different tenants. The warehouse is a steel, pre-engineered building, the cheapest kind that could be built. Six of the bays have no access doors and are therefore unsalable as individual units. Those bays with access have 8 foot high doors, suitable for cars only, not trucks. Some of the ceilings are as low as eight feet in height. Only one unit is connected to the City's sewer line. The remaining ten units are internally connected, but not externally serviced. The building is located on a gravel road laden with potholes. These factors are a deterrent to renters. The Complainant submitted that, because the bays had not been condominiumized, the subject properties should be assessed as one building. The Complainant presented, as a comparable, a Target Realty listing for a warehouse at 224 40 AV NE, also in Greenview, with 10,000 sf, plus a 2,000 sf mezzanine. It was listed at \$1,250,000 (\$104/ sf), and if sold at 5% under list, it would be \$99/ sf. He then calculated a 10% discount to his property with its less superior characteristics and arrived at a value of \$1,421,000. He also presented a listing for a 22,000 sf warehouse in the Foothills Industrial Park, priced at \$99/ sf. The Complainant submitted that the City's comparables were in superior buildings (newer; paved streets; better access to main arteries; high ceilings; truck overhead doors; registered condominium owners).

Complainant's Requested Value: \$1,900,000, on the application; \$1,430,000 (\$104/ sf) in the disclosure; and orally, \$1,200,000 (\$75/ sf).

The Respondent presented the City's Assessment Explanation Supplements (AESs) for the 11 titles and then presented a condominium Sales Comparable Chart showing the 11 subject properties plus 3 warehouse condo unit comparables, also in Greenview. The assessments of the comparables were approximately \$200/ sf. He presented photos of the comparables that showed a two-storey building, with windows, paved road, etc. The Respondent explained that he believed the subject properties had been condominiumized, and they were assessed as condominiums. If the subject properties were not condominiums, as indicated by the Complainant, then the assessments should have been at a lower rate, as condos are assessed higher than non-condo industrial warehouses.

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

The Board finds that the subject properties are not Industrial Condominiums, but rather, they are one warehouse with 11 titles and therefore should be assessed accordingly. The Board finds the best evidence of market value is the listing of the property at 224 – 40th Avenue, at \$104/ sf,

before adjustments. The Board finds the subject properties have atypical physical characteristics (low ceilings, low doors, some units with no doors, no windows, no washrooms, no office, etc.) and an unpaved street, warranting a further downward adjustment to the comparable unit rate, to say \$90 per sq. ft.

Board's Decision:

ROLL NUMBER	ADDRESS	AREA (SF)	ASSESSMENT RATE PER SF	REVISED ASSESSMENT (ROUNDED)
200867968	1, 4828 Pacific Road NE	1,188	\$90	106,500
200867976	2, 4828 Pacific Road NE	1,170	\$90	105,000
200867984	3, 4828 Pacific Road NE	1,381	\$90	124,000
200867992	4, 4828 Pacific Road NE	1,375	\$90	123,500
200868008	5, 4828 Pacific Road NE	1,228	\$90	110,500
200868016	6, 4828 Pacific Road NE	1,375	\$90	123,500
200868024	7, 4828 Pacific Road NE	1,376	\$90	123,500
200868032	8, 4828 Pacific Road NE	1,376	\$90	123,500
200868040	9, 4828 Pacific Road NE	1,781	\$90	160,000
200868057	10, 4828 Pacific Road NE	1,716	\$90	154,500
200868065	11, 4828 Pacific Road NE	1,416	\$90	127,500

DATED AT THE CITY OF CALGARY THIS 21 DAY OF OCTOBER 2011.


P. Irwin
Presiding Officer

APPENDIX "B"

ORAL PRESENTATIONS

PERSON APPEARING CAPACITY

Lyle McGregor Owner

Marcus Berzins Assessor, City of Calgary

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.*