



## **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:**

***I.G. Investment Management Ltd., (as represented by AEC Property Tax Solutions),***

**COMPLAINANT**

**and**

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

**before:**

**T. B. Hudson, PRESIDING OFFICER  
A. Blake, BOARD MEMBER  
J. Rankin, BOARD 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 2013 Assessment Roll as follows:

**ROLL NUMBER: 031023609**

**LOCATION ADDRESS: 2611 Hopewell PL NE**

**FILE NUMBER: 72234**

**ASSESSMENT: \$7,990,000**

This complaint was heard on 15th day of July, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- *J. Smiley*

Appeared on behalf of the Respondent:

- *M. Hartmann*
- *K. Cody*

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

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

**Property Description:**

[1] The subject is an IWM type industrial property zoned I-B, and located at 2611 Hopewell PL NE in Calgary. The site area is 4.72 acres, and the improvement constructed in 2001 includes a net rentable area of 73,020 square feet(sf.), in one building with 39% office finish. Site coverage is 35.50%. The assessment was calculated based on the direct sales comparison approach to a total of \$10,220,000(rounded), or \$139.99 per square foot(psf). The subject property includes a tax exempt area of 15,692sf. assessed at \$2,230,000, and taxable area 57,328sf., assessed at \$7,990,000.

**Issues:**

Should the assessment of the subject property be reduced by 25% due to limited access?

Is the current assessment inequitable when compared to the neighboring property located at 4303 26 ST NE?

**Complainant's Requested Value:** \$5,990,000(rounded) or \$124.79psf., after exemption.

**Board Decision on the Assessment:** The assessment is confirmed at \$7,990,000(rounded), or \$139.99psf., after exemption.

**Legislative Authority, Requirements and Considerations:**

**[2] The Composite Assessment Review Board(CARB), derives its authority from Part 11 of the Municipal Government Act (MGA) RSA 2000:**

*Section 460.1(2): Subject to section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5) that is shown on an assessment notice for property other than property described in subsection (1)(a).*

**[3] For purposes of the hearing, the CARB will consider MGA Section 293(1):**

*In preparing the assessment, the assessor must, in a fair and equitable, manner, apply the valuation and other standards set out in the regulations, and follow the procedures set out in the regulations.*

**[4] The Matters Relating to Assessment and Taxation Regulation(MRAT) is the regulation referred to in MGA section 293(1)(b). The CARB consideration will be guided by MRAT Part 1 Standards of Assessment, Mass appraisal section 2:**

*An assessment of property based on market value:  
must be prepared using mass appraisal,  
must be an estimate of the value of the fee simple estate in the property, and  
must reflect typical market conditions for properties similar to that property.*

**Position of the Parties on the Issues:**

**Limited Access Issue**

**Complainant's Position**

**[6]** The Complainant argued that the subject property is only accessible through a cul de sac driveway shared with the neighboring property at 4303 26 ST NE. Therefore, the assessment should be reduced by 25% due to the limited access negative influence on market value.

**[7]** The Complainant submitted a chart of four comparable properties where the assessments had been reduced in recognition of a negative influence due to access issues. In three of the comparables the reduction was 25%, while one received a 15% reduction, (Exhibit C1 page 16).

**Respondent's Position:**

**[8]** The Respondent advised that a perpetual mutual access right of way agreement signed in November of 1999, is registered on the land title for both the subject property and the neighboring property at 4303 26 ST NE,(Exhibit R1 pages 32-41). I.G. Investment Management Ltd. owns both of the properties and the improvements were constructed on each property in 2001.

**Assessment Equity Issue****Complainant's Position**

[9] The Complainant argued that since the subject property is dependent upon the neighboring property for access and utility, both properties should be assessed based on the \$124.79psf. unit rate calculated for the property at 4303 26 ST NE. This would reduce the assessed value of the subject property by 25%, to \$5,990,000 as requested.

**Respondent's Position**

[10] The Respondent submitted the completed 2013 Assessment Request for Information (ARFI) report for the subject property, (Exhibit R1 pages 21-27). The report indicates the property is achieving market rent and has no vacancy, which indicates no negative influence as a result of shared access.

[11] The Respondent also submitted an equity chart including the assessments of six industrial properties in the NE, (Exhibit R1 page 44). These properties all share similar valuation characteristics to the subject property, with the exception of their I-G zoning. The assessments range from \$128.13psf. to \$141.50psf. The subject is zoned I-B and assessed at \$139.99psf., which is within an acceptable range given the higher order of land use.

**Board's Reasons For Decision**

[12] The Board accepts that the mutual access right of way agreement registered in 1999 on the titles of both properties by the original owners, was designed to maximize development potential; and at the same time minimize any negative influence of limited access on market value. Given the agreement, which exists in perpetuity, the Board does not accept that the subject property suffers from limited access.

[13] The Complainant suggested that the assessment equity issue arose because the subject property was dependent on the neighboring property for access and utility. The request was to replace the unit value (i.e. \$139.99psf), of the subject, with the lower unit value (i.e. \$124.79psf.) of the neighboring property at 4303 26 ST NE. Given the decision of the Board with respect to the limited access issue, there is no reason to reduce the assessment based on the assessed unit value of the neighboring property which is larger and has greater site coverage than the subject.

DATED AT THE CITY OF CALGARY THIS 16 DAY OF August 2013.



**T. B. Hudson**

**Presiding Officer**

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

<b>NO.</b>	<b>ITEM</b>
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.*

**For MGB Administrative Use Only**

<i>Decision No. 72234P-2013</i>			<i>Roll No.031023609</i>	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Warehouse I-B	IWM	Negative Influence(access) on market value	Equity