



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:

Richard J. Gould, (as represented by Altus Group Ltd.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Fegan, PRESIDING OFFICER

K. Bickford, BOARD MEMBER

P. Pask, 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:	098007206
LOCATION ADDRESS:	3015 58 AV SE
FILE NUMBER:	72755
ASSESSMENT:	\$2,400,000

This complaint was heard on the 7th day of October, 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. Weber, (Altus Group Ltd.)

Appeared on behalf of the Respondent:

- J. Greer, (City of Calgary)

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

- [1] No procedural or jurisdictional matters were raised.

Property Description:

- [2] The subject property is a metal clad industrial warehouse built in 1974 with 18,900 square feet of assessed area. The parcel size is one acre and the land use designation is Industrial General (I-G). The assessed rate is \$127.29 per square foot (R-1, page 9).

Issues:

- [3] The issue is market value.

Requested Value: \$1,900,000 verbally revised to \$2,070,000 during the hearing.

Board's Decision: The complaint is allowed and the assessment is revised to \$2,070,000.

Position of the Parties

Complainant's Position:

- [4] In support of the requested assessment the Complainant provided three sales of comparable properties that sold for an average time adjusted sale price per square foot of \$104. The Complainant argued that these three sales were the best indicators of the value of the subject property because of the similarities between these properties and the subject property. These properties were similar to the subject in terms of building size, year of construction, land size, site coverage ratio. The Complainant argued that the property located at 3528 80 AV SE was the most similar to the subject and that most weight should be placed on the sale price per square foot of this property. The property located at 3528 80 AV SE is a metal clad building

similar to the subject and the Complainant argued that metal clad buildings were less desirable than concrete buildings. The Complainant used the same time adjustments that were used by the Respondent.

[5] In rebuttal to the Respondent's evidence, the Complainant provided evidence that two of the sales used by the Respondent were subject to vendor take back mortgages which the Complainant argued may have impacted the price paid for these properties.

[6] The Complainant argued that the Respondent's analysis did not adequately reflect the impact that site coverage had on the value of the subject property. On page 20 of exhibit C-2 the Complainant provided an analysis which made adjustments to each sale price based on the site coverage of each sale, applying the land rate used by the Respondent to value industrial land in the area.

Respondent's Position:

[7] The Respondent provided six sales in support of the assessed value. Three of the sales used by the Respondent had also been used by the Complainant. The Respondent argued that there was no market evidence that metal clad buildings sold for lower prices per square foot than concrete buildings.

[8] The Respondent pointed out an error in the table on page 20 of exhibit C-2, which when corrected changed the adjusted value per square foot of the last entry in the table from \$83.00 to \$111.92.

Board's Reasons for Decision:

[9] The Board noted that the vendor take back mortgage for the sale of 6160 40 ST SE allowed the purchaser to buy this property with a zero down payment. The entire sale price was raised through two mortgages.

[10] The Board noted that the sale of 2625 58 AV SE was subject to a vendor take back mortgage for just over 80% of the total sale price.

[11] The Board found that the level of financing (100% and 80% of sale price) for these two sales was not typical and caused these two sales to be less reliable indicators of market value.

[12] The Board noted that two of the sales introduced by the Respondent had significantly lower site coverage ratios than the subject property. 3303 57 AV SE has a site coverage ratio of 17.62% and 2625 58 AV SE has a site coverage ratio of 22.04% while the subject property has a site coverage ratio of 38.61%.

[13] The Board found merit in the Complainant's analysis on page 20 of exhibit C-2, which made adjustments based on the site coverage ratio of each sale.

[14] The Board found that the Complainant's comparable sales were more similar to the subject property and were better indicators of the value of the subject property.

DATED AT THE CITY OF CALGARY THIS ^{17th} DAY OF October 2013.

R. Fegan.

R. Fegan

Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant 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.*

CARB Identifier Codes

Decision No.		Roll No.		
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Industrial	Warehouse	Market Value	Site coverage ratio

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