



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:

Mayel Development Inc. (as represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

PRESIDING OFFICER: T. Helgeson

BOARD MEMBER: R. Roy

BOARD MEMBER: D. Cochrane

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: 048071997

LOCATION ADDRESS: 2520 23 Street NE

FILE NUMBER: 72817

ASSESSMENT: \$7,940,000

This complaint was heard on the 3rd day of September, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *M. Robinson*

Appeared on behalf of the Respondent:

- *B. Brocklebank*

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

- [1] No procedural or jurisdictional matters were brought before the Board.

Property Description:

[2] The subject property is a 5.45 acre land parcel in the South Airways industrial area, and on it is a multi-tenant industrial warehouse. The building was constructed in 1990, and has a net rentable area of 42,176 square feet ("sq. ft."). The building covers 17.80% of the land parcel's 5.45 acres. The assessed value of the subject property is \$188.40 per sq. ft. of assessable building area.

Issue:

- [3] Is there a good reason why a portion of an unsubdivided parcel of land should be valued for assessment purposes at a higher rate than the rest of the land?
- [4] If there is no good reason, what should be the assessed amount for the subject property?

- [5] **Complainant's Requested Value:** \$7,160,000

- [6] **Board's Decision:** The assessment is adjusted to \$7,160,000.

Positions of the Parties

Complainant's Position:

[7] According to the Respondent, the subject property has 2.22 acres of "extra" land. Access to the improvement is through the extra land. The Respondent has calculated the value of the 2.22 acres of extra land at \$950,000 per acre, rather than \$600,000 per acre, which is the

rate for the other 3.23 acres of the parcel. The first two acres are part of the 3.23-acres included in the base rate in the assessment model, and the extra land calculation should reflect that.

[8] The land adjustment for the remainder of the parcel is incorrect and inequitable due to topography, rights-of-way influences, inability to subdivide, encumbrances, shape, servicing levels, access and other influences. The decision in CARB #1609-2012-P shows that the Respondent recognized the error, and submitted a reduced value to the CARB.

[9] A land adjustment of \$2,106,000 is what the Complainant is interested in today. The Respondent uses the lower rate of \$600,000 per acre for less than two acres. In effect, the Respondent has valued the empty 2.22 acres of the subject property as a separate parcel of land.

[10] We request that the rate of \$600,000 per acre be applied to the so called extra land, which results in a value of \$1,330,606.08, and an assessed value for the subject property of \$7,160,000, truncated.

Respondent's Position

[11] The subject property is subdividable. The extra land of the subject property, 2.22 acres, receives a valuation of \$950,000 because we regard it as containing the first two acres. Where site coverage is less than 29%, the additional land has value that is not normally covered in the property rents. This creates an inequity with properties with normal site coverage where building rents pick up both land and improvement value.

[12] The assessment of the subject property is supported by five sales comparables with time-adjusted sale values from \$174.39 to \$253.76 (R-1, page 15). The best comparables are 3900 12 Street NE and 1415 28 Street NE with sale values of \$192.35 and \$187.69, respectively.

[13] In regard to industrial land sales, in 2013 the time adjusted sale prices of three industrial land parcels in the north-east sold for \$21.47, \$24.56, and \$22.94 per sq. ft., for an average of \$22.99 per sq. ft. The extra land of the subject property has been valued at \$22 per sq. ft.

[14] As for equity, six industrial properties are shown in our 2013 Industrial Equity Chart at page 19 of R-1. The property with site coverage nearest that of the subject property, 17.69%, shows a rate per square foot of \$185.47. We submit that the assessment is both fair and equitable, and is supported by the evidence. We respectfully request the Board to confirm the assessment.

Board's Reasons for Decision:

[15] The Board agrees with the Complainant that the Respondent is treating the "extra" 2.22 acres of the subject property as saleable land, separate and apart from the rest of the land of the subject property. The Respondent, however, indicated that with "extra" land, no specific division is made.

[16] In fact, the Respondent's site plan at page 3 of C-3 appears to indicate that the subject property consists of two lots, and the dividing line between the lots runs through the middle of the building, but there is no legal dividing line that separates the 2.22 acres from the rest of the parcel.

[17] With no legal dividing line, the extra 2.22 acres remains part and parcel of the parcel. It

cannot be separated, and it cannot be sold. The Respondent's dividing line appears to be a thing of the imagination, not reason.

[18] There being no good reason why the 2.22 acres should not be valued the same as the rest of the land of the subject property, the Board reduces the land rate for the 2.22 acres to 600,000 per acre. That adjustment results in an assessment for the subject property of \$7,160,000, truncated. It is so ordered.

DATED AT THE CITY OF CALGARY THIS 29 DAY OF November 2013.



Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant's Rebuttal
3. C3	Further Rebuttal
4. C4	Yet more Rebuttal
2. R1	Respondent Disclosure

For Administrative Use

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouse	Warehouse Multi-Tenant	Income Approach	Equity Comparables

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.*