



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:

Chief Construction Company Ltd.
(as represented by Assessment Advisory Group Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. Griffin, PRESIDING OFFICER
A. Huskinson, BOARD MEMBER
J. Lam, BOARD MEMBER

This is a complaint to the Composite Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2014 Assessment Roll as follows:

ROLL NUMBER: 118003664

LOCATION ADDRESS: 6215 - 90 Avenue SE

FILE NUMBER: 75895

ASSESSMENT: \$2,580,000.

This complaint was heard on 18th day of August, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- S. Cobb (Agent - Assessment Advisory Group Inc.)

Appeared on behalf of the Respondent:

- D. Kozak (Assessor – City of Calgary)

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

- [1] There were no Procedural or Jurisdictional Matters brought forth by either party.

Property Description:

- [2] According to the Property Assessment Summary Report (Exhibit C-1, pg. 5) the subject property is an industrial site with a small, 1,360 Sq. Ft. A2 trailer on the site but which is assessed as being 'land value only'. The site, which is located at the southeast corner of 90th Avenue and 60th Street SE, contains a gross area of 4.22 acres. With a corner location, the site gets a positive assessment adjustment of 5% incorporated into its assessed value.

Issues:

- [3] The Complainant brought forward the following issue to be considered by the CARB:

- 1) The assessed value, which is based upon application of the Sales Comparison Approach, is in excess of the estimated market value for same as at the Date of Value.

Complainant's Requested Value: \$1,880,000.

Board's Decision:

- [4] The Assessment is **Confirmed** at **\$2,580,000.**

Position of the Parties

Complainant's Position:

- [5] The Complainant contends that the assessed land value rate of \$14/Sq. Ft. is too high and in support of this contention provides (Exhibit C1 pg. 10) a chart giving the summary of 16 sales recorded between July 27, 2010 and August 26, 2013. The parcel sizes range from a low of 3.77 acres to a high of 5.948 acres. These sales indicate a Mean sales price of \$10.30/Sq. Ft.

and a Median sales price indication of \$10.26/Sq. Ft. The Complainant maintains that using the Median indication of \$10.26/Sq. Ft. provides a value more reflective of market value and, accordingly, is requesting a revised value of \$1,880,000 (truncated).

Respondent's Position:

[6] The Respondent provided (Exhibit R-1 pg. 51) a copy of the 2014 Industrial Land Values used for assessing industrial land throughout the city, pointing out that the assessed land rate for I-G designated parcels located in the SE area is \$645,000/acre. This base land rate is supported by the assessor's *Industrial Land Sales 2014* chart (Exhibit R1 pg. 54) which provides a summary of 18 sales recorded between July 2010 and June 2013. All of these sales relate to I-G designated parcels ranging in size from approximately 2.08 acres to 5.92 acres. The time adjusted sales prices (TASP) range from a low of \$499,666/acre to a high of approximately \$808,924/acre. The Respondent further introduced (Exhibit R1 pg. 56) a similar sales chart referring only to the sales of I-G designated sites located in the Foothills Industrial Park which is where the subject property is located. These 8 sales were recorded between July 2010 and June 2013. The parcel sizes range from a low of 0.80 acres to a high of 4.80 acres and the TASP range from \$514,575/acre to a high of \$604,876/acre. The Respondent indicated, verbally, that the Median TASP is \$571,653/acre.

[7] The Respondent also provided (Exhibit R1 pg. 76) a reproduction of the land sales chart presented by the Complainant which indicates 6 sales that the Assessor maintains are invalid for various reasons and an additional 7 of the sales should not be given consideration as they stem from an entirely different market area. Having removed these sales the Respondent indicates that the correct Median should actually be \$471,527/acre.

[8] The Respondent also made note of the fact that the Complainant had not applied any time adjustments to the sales, a requirement the assessor must meet, and this is further reason why the Complainant's sales should not be relied upon for guidance.

Board's Reasons for Decision:

[9] The CARB agrees with the Respondent that the Complainant should have applied adjustments, primarily for the passage of time, to the sales data presented. Additionally the CARB agrees with the Respondent that the Complainant's sales included area, such as East Sheppard 4 (ES4), that are not comparable to the subject location and which area has an entirely different base land rate for assessment purposes. The CARB questioned the Complainant as to the servicing status of the ES4 lands and found that the Complainant assumed those sites to be fully serviced but, in fact, was not certain.

[10] The CARB found inconsistencies in Respondent's brief as it contains evidence that is unexplained and/or conflicting with the current assessed value. An example of the foregoing is the evidence of the Respondent (Exhibit R1 Pg.51) shows the base land value applicable to the subject lands as being \$645,000/acre (\$14.80/Sq. Ft.) yet the current assessment (Exhibit R1 pg. 55) is at a rate of \$612,750/acre inclusive of a 5% premium for corner influence which would indicate a base rate of \$582,112/acre. The Respondent offered no explanation to the CARB for the use of this rate as applied to the subject property. Additionally the Respondent provides sales summaries (Exhibit R1 pgs. 54 & 56) that do not provide any indication of a Mean or Median sales indication. At the bottom of the chart presented on page 54 there is a lone number of \$632,044; however, there is no explanation as to what this number represents or of what significance it is. Based on calculations made by the CARB, the aforementioned number

is neither the Mean nor the Median value. In consideration of the foregoing the information was ultimately not very helpful to the CARB.

[11] In the final analysis the CARB is cognizant of the fact that it is the responsibility of the Complainant to provide, hopefully, irrefutable evidence to convince the Board that a change to the assessment is warranted and that objective was not, in the judgment of the CARB, met.

DATED AT THE CITY OF CALGARY THIS 10th DAY OF September 2014.


C. J. Griffin

Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure Part 1
2. C1A	Complainant Disclosure Part 2
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.*

CARB Identifier Codes

Decision No. 75895P-2014			Roll No. 118003664	
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Industrial	Vacant Land	Base Land Rate	none

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