

**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-26.1, Section 460(4).

between:

Dynasty Building Management Inc., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Reimer, PRESIDING OFFICER

J. Kerrison, MEMBER

D. Pollard, MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER: 034083956

LOCATION ADDRESS: 231 40 Ave NE

HEARING NUMBER: 55978

ASSESSMENT: \$799,000

This complaint was heard on 30th day of July, 2010 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:

- *Karim Omidian, owner*

Appeared on behalf of the Respondent:

- *Ian McDermot and Wes Ehler, Assessors*

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

There was no objection to the composition of the Assessment Review Board (ARB).

There were no other procedural or jurisdictional matters raised.

Property Description:

The subject property is an industrial warehouse of 4,494 sq. ft. located on a lot which is .15 acre in size. The building was constructed in 1975 and has approximately 24% finished as office space. The property is zoned I-E – Industrial Edge.

Issues:

There were 2 issues identified on the Assessment Review Board Complaint Form; number 3, the assessment amount and number 7, the type of improvement.

Complainant's Requested Value:

The Complainant requested a value of \$580,000.

Position of the Parties:

Issue One, Assessment Amount:

The Complainant provided 2 sales comparables. The first was a sale at 3505 Edmonton Trail NE dated July 17, 2008. The actual sale price had been \$4,200,000, or \$138/sq. ft. The Complainant had time adjusted the sale price with a 5% reduction in 2008 and a further 13% reduction in 2009. He had arrived at a value of \$107/sq. ft., which was the value that he had based his requested value of \$580,000 on.

The second sale provided was dated January 5, 2010 and was, therefore, post facto and not considered. The ARB explained to the Complainant that the valuation date for the 2010 assessment was July 1, 2009 and that sales after that date could not be considered.

The Complainant provided an offer to purchase a property two doors down from the subject property, dated February 23, 2010, which the ARB also did not consider because it was post facto.

The Complainant stated that there was a storage building of approximately 1000 sq. ft. attached to the rear of the main building. This is a cold storage facility with no heat or insulation and an asphalt

floor. He indicated that this should have a lower assessment than the main, heated building.

The Complainant also referred to the I-E zoning as being restrictive regarding the type of use that the subject property was eligible for, therefore reducing potential tenants or buyers.

The Respondent provided 7 equity comparables with a median assessment of \$181.20/sq. ft compared to the subject property which is assessed at \$178/sq. ft.

The Respondent also provided 9 sales comparables with a median value of \$228/sq. ft compared to the subject property's assessed value of \$177.84/sq. ft.

The Respondent indicated that it is the city's position that a cold storage area, which is attached to the main building, is assessed at the same rate as the building. He stated that a separate cold storage outbuilding would be assessed at \$10/sq. ft.

Board's Decision on Issue One:

The ARB finds that the Complainant failed to demonstrate that the assessment of the main building is unfair or inequitable. The ARB finds, however, that, despite having a common wall, the cold storage area is a separate area and should be assessed separately. The ARB finds that \$10/sq. ft., as the Respondent indicated would be used for a separate outbuilding, is appropriate.

Issue Two, Type of Improvement:

The Complainant stated that he was satisfied with the 24% finish percentage shown on the Assessment Explanation Supplement.

Board's Decision on Issue Two:


No ARB decision is required.

Board's Decision:

The ARB finds that the Complainant failed to demonstrate that the assessment of the main building is unfair or inequitable. The ARB directs that 994 sq. ft. be separated from the main building assessment and assessed at a rate of \$10/sq. ft., resulting in the following:

3500 sq. ft x \$177/sq. ft.	= \$619,500
994 sq. ft. x \$10/sq. ft.	= \$9,940
Total	= \$629,440
Rounded to	\$629,000

DATED AT THE CITY OF CALGARY THIS 16th DAY OF August, 2010.



R. Reimer
Presiding Officer

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.*