

**CALGARY
COMPOSITE 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(4).

between:

Assessment Advisory Group, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Helgeson, PRESIDING OFFICER

J. O'Hearn, MEMBER

J. Joseph, MEMBER

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

ROLL NUMBER: 033000902

LOCATION ADDRESS: 4515 6A Street N .E.

HEARING NUMBER: 58417

ASSESSMENT: \$1,540,000

This complaint was heard on the 29th day of October, 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:

- *T. Howell*

Appeared on behalf of the Respondent:

- *M. Berzins*

Property Description:

The subject property consists of a single-tenant industrial warehouse on 0.41 acres of land in the Greenview Industrial Park of northeast Calgary. The warehouse was constructed in 1960, has a net rentable area of 11,199 square feet, 13% office finish, and site coverage of 58.09%. The subject property has been assessed at \$1,540,000, or \$137 per square foot of net rentable building area.

Issue:

Is the assessment of the subject property correct, and fair and equitable.

Complainant's Requested Value:

The assessment of the subject property is too high. Adjusted sales comparables suggest \$115 per square foot of building area, for an assessment of \$1,287,885. For example, a comparable property at 344 40th Avenue N.E., also in the Greenview Industrial Park, on a site of 0.53 acres, with site coverage of 59% and building area of 13,680 square feet, sold for \$53 per square foot in September of 2007. With appropriate adjustments to update it, that value is currently \$58 per square foot. Also comparable is 1936 27th Avenue N.E. in the South Airways industrial area, with building area of 12,770 square feet and site coverage of 49%, which sold in May of 2008 for \$143 per square foot or, as adjusted, 134 per square foot. Finally, there is 135 Skyline Crescent N.E. on .29 acres of land, a building of 7,920 square feet, which sold in June of 2008, for \$170 per acre. After adjustments for time of sale, building size, site coverage, and year of construction, the actual value is \$151.00 per square foot. The median for all the above sales is \$115 per square foot.

Assessor's Response:

The seven equity comparables submitted, all with similar parcel sizes and site coverage and in the same general sub-market, show per square foot building values of from \$137 to \$155. Furthermore, industrial sales comparables, although not all in the Greenview sub-market, show time-adjusted sale values ranging from \$160 per square foot to \$230 per square foot. There is no substantive evidence to support the adjustments made to the Complainant's comparables, i.e., for date of sale, building size, site coverage, and year of construction. They are arbitrary.

In its decision in ARB 0530/2010-P, a Composite Assessment Review Board panel found that similar adjustments relied on by the Complainant in that case were not supported by evidence. In any event, two of the Complainant's sales comparables, i.e., 135 Skyline Crescent N.E. and 1936 27th Avenue N.E., with per square foot values of \$151 and \$134 respectively, support the assessment of the subject property, even though those values were derived by application of the Complainant's arbitrary adjustments. The assessment of the subject property is correct and fair and

equitable, and should be confirmed.

The Panel's Decision:

In the opinion of the panel, no adjustment to the assessment is warranted. Both the sales and equity comparables of the Respondent support the assessment, as do two of the Complainant's sales comparables, even with values as adjusted by the Respondent. The Complainant's remaining comparable, 344 40th Avenue N.E., with an unadjusted sale value of \$53 per square foot, can only be regarded as an anomaly, or "outlier". In the result, the panel finds that the evidence of the Complainant fails to support an adjustment to the assessment of the subject property, and accordingly, the assessment is confirmed at \$1,540,000.

DATED AT THE CITY OF CALGARY THIS 1st DAY OF DECEMBER 2010.



for T. Helgeson
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.*