



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:

Belcorp Properties Ltd. (as represented by Linnell Taylor Assessment Strategies)
COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

Board Chair; J. Zezulka
Board Member; E. Reuther
Board Member; P. McKenna

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: 090040114

LOCATION ADDRESS: 4646 Builders Road SE

FILE NUMBER: 70209

ASSESSMENT: \$2,040,000

This complaint was heard on 18th day of September, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *D. Sheridan*

Appeared on behalf of the Respondent:

- *L. Wong*
- *J. Tran*

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

- (1) There were no procedural or jurisdictional matters raised by either party.

Property Description:

- (2) The property consists of a single tenant industrial storage warehouse, situated in the North Manchester of SE Calgary. The main building was built in 1957, and contains a net rentable area of approximately 10,593 s.f. The second building contains approximately 1,800 s.f. and is classified as an outbuilding. The site area is 3.02 acres, and is slightly "diamond" shaped. There are functioning railway tracks along Builders Road to the front of the site, as well as along Manitou Road to the rear. There is no spur line servicing the subject site.

- (3) In this location, Builders Road is a gravelled local artery. There are no sidewalks, curbs or gutters.

Issues / Appeal Objectives

- (4) Currently, the property is assessed using the cost approach. The depreciated improvement value is estimated by the assessor at \$273,890 (excluding GST), and the land value is estimated at \$1,766,700. The Complainant does not dispute the valuation method. Nor does the Complainant dispute the value of the improvements. The Complainant's single issue is that the land value, which is currently assessed at \$585,000 per acre, is too high. The subject is not being treated fairly and equitably with surrounding properties with the same physical influences, but which have an influence adjustment applied.

- (5) The Complainant contends that the subject site has an irregular shape that reduces its functionality, has partial services, and has limited access.

- (6) The Complainant is requesting a 25 per cent reduction to the land value to bring the assessment to an equitable level with surrounding properties.

Complainant's Requested Value:

(7) \$1,600,000

Board's Decision:

(8) The assessment is reduced to \$1,600,000.

Legislative Authority, Requirements and Considerations:

(9) This Board derives its authority from section 460.1(2) of the Municipal Government Act (MGA), being Chapter M-26 of the revised statutes of Alberta.

(10) Section 2 of Alberta Regulation 220/2004, being the Matters Relating to Assessment and Taxation Regulation (MRAC), states as follows;

"An assessment of property based on market value

(a) must be prepared using mass appraisal

(b) must be an estimate of the value of the fee simple estate in the property, and

(c) must reflect typical market conditions for properties similar to that property"

(11) Section 467(3) of the Municipal Government Act states;

"An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

(c) the assessments of similar property or businesses in the same municipality."

(12) For purposes of this Complaint, there are no extraneous requirements or factors that require consideration.

Position/Evidence

(13) The current assessment calculates to \$190.01 per s.f. of building area.

(14) The Complainant presented four comparables from the North Manchester area, all in close proximity to the subject (C1, page 6). The assessments range from \$80.04 to \$180.82 per s.f. of building.

(15) The evidence submitted by the Complainant revealed that three of the four comparables have a negative rail influence of 25 per cent applied. A map submitted by the Complainant shows that all four are either on Builders Road, or Manitou Road, within a few blocks of the subject. The rail line that has been adjusted for is the same line that passes the subject.

(16) One of the comparables, with a 50 Avenue address, is a triangular corner parcel. The Complainant's evidence is that a negative 25 per cent shape factor has been applied in the assessment of this parcel.

(17) The Respondent did not dispute or question any of the evidence or assertions of the Complainant.

(18) The Respondent presented cost data from the Marshal & Swift Valuation Service in support of the improvement assessment, which are not under complaint in any event.

(19) The Respondent also presented the August, 2010, transaction involving a property at 4444 - Builders Road SE (R1, page 18). The property consists of a 16,685 s.f. building on 2.83

acres. The property was acquired by the Calgary John Howard Society for \$180 per s.f. of building. The society intended to use the property as a halfway house for 32 residents.

(20) No other pertinent market evidence was presented by the Respondent.

Board's Reasons for Decision:

(21) The \$585,000 per acre industrial land rate applied to the subject is the same land rate applied to all industrial land in the City's south east quadrant. The City applies adjustments for certain basic differences such as shape, rail influence, corner influence, and extent of deep services. It does not appear, however, that the City has recognized the extent of surface utilities and amenities in setting land rates.

(22) A cursory review of the available evidence indicates that the comparable submitted by the Respondent is simply not physically comparable to the subject.

(23) The comparables submitted by the Complainant were all adjusted by the City to account for shape, corner influence, and the presence of rail way tracks. The subject received no adjustment, and there was no satisfactory explanation as to why not.

(24) This Board does not agree with the Complainant that the subject's shape detracts from its utility. No doubt, the site is "odd" shaped, but the dimensions are not extreme enough to adversely affect its usability.

(25) The Complainant's data was sufficient to show that the subject is not being treated fairly in relation to surrounding properties that have rail influence applied. In the opinion of the Board, this unequal treatment results in inequity.

(26) The Board reduces the land component of the assessment by 25 per cent, and the assessment is reduced to \$1,600,000.

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



Jerry Zezulka
Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
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1. C1 Complainant Disclosure
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.

For MGB Administrative Use Only

Decision No. CARB 71759P/2013		Roll No. 120021902		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial	Market Value, land value	N/A	Adjustments