



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:

Cardinal Coach Lines Limited (as represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***BOARD CHAIR, T. Helgeson
BOARD MEMBER, R. Roy
BOARD MEMBER, R. 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: 033028408

LOCATION ADDRESS: 4836 6 Street NE

FILE NUMBER: 73037

ASSESSMENT: 3,860,000

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:

- *M. Hartmann*

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 at 4836 6 Street NE is located in the Greenvue Industrial Park. The subject property is a single tenant property, and there are three warehouses on the land parcel with areas of 2,124 square feet ("sq. ft."), 5,304 sq. ft., and 9,412 sq. ft. The warehouses were constructed in 1960, 1969, and 1974, respectively. Land area is 2.68 acres, and site coverage is 14.43%. The subject property has been designated "I-G, Industrial General" pursuant to the Land Use Bylaw

Issues:

[3] Will the cost approach provide a more reliable estimate of the market value of the subject property sales approach?

[4] **Complainant's Requested Value:** \$2,670,000

[5] **Board's Decision:** \$2,670,000

Positions of the Parties

Complainant's Position:

[6] The three buildings on the subject property are old. There is an office, and two bus barns used for maintenance and washing the busses. Due to the characteristics and physical condition of the subject property, the cost approach would provide a more reliable estimate of market value. The aggregate assessment per sq. ft. applied to the subject property does not reflect market value for assessment purposes when the direct sales approach is used.

[7] The time-adjusted sale prices of four properties comparable to the subject indicate a median value of \$207 per sq. ft. (C-1, page 21). Even though the subject property is an inferior property, it is assessed at a higher rate, \$229 per sq. ft.

[8] The subject property is a 2.68 acre parcel. There is not much building coverage, most of the subject property is land area. We relied on Marshall and Swift for costing the improvements. Total improvement value arrived at: \$247,034 (C-1, pages 30-32).

[9] For the land, we used the Respondent's Greenview land rates, i.e., one (base) acre at \$1,300,000, the remaining 1.68 acres at \$600,000, for a subtotal of \$2,308,000 (C-1, page 22). Because the subject property is a corner parcel, the customary positive 5% influence adjustment was then added for a total land value of \$2,423,400. Adding the land value to the value of the improvements produces a total value of \$2,670,000, and that is our requested assessment.

Respondent's Position:

[10] Of the Complainant's four sales comparables, only one is in the same region as the subject property. Further, the vintage of these sales do not make them comparable to the subject property, and the comparables themselves are all single building properties.

[11] Often there are variances in the physical attributes between buildings on multi-building properties, and those variances affect the value. Therefore, the Respondent assessed each building separately, then adds a negative multi-building adjustment to account for the fact there is more than one building on the parcel. That is why the Respondent considers it inappropriate to compare single building properties of aggregate square footage to multi-building properties.

[12] In our industrial sales chart (R-1, page 25), the two best comparables are 312 41 Avenue NE and 3927 3A Street NE, with time adjusted sale value rates of \$182.55 and \$240.94 per sq. ft. Those sale value rates are both higher than that of the subject property. Further, our industrial equity chart at page 27 of R-1 contains three single-tenant multi-building properties with assessment rates very near those of the subject property.

Board's Reasons for Decision:

[13] The subject property is not an ordinary property. It is unusual in that it does not have much building coverage. The Board notes that there is not a single property in the Respondent's sales chart with a parcel size larger than 0.81 of an acre. Further, not a single one of the properties in the sales chart has a land use designation of I-G, and the site coverages are much, much higher than that of the subject property.

[14] The Board is of the view that the cost approach is likely to produce a better assessment for this unusual property. The assessment is hereby reduced to \$2,670,000. It is so ordered.

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



Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal
2. R1	Respondent Disclosure

For Administrative Use

CARB	Property Type	Property Sub-Type	Issue	Sub-Issue
	Warehouse	Multi-Building	Cost/Sales Approach	Land & Improvement 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.*