

**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(4).

Between:

Altus Group, COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

T. Hudson, PRESIDING OFFICER

C. McEwen, MEMBER

D. Julien, 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:	100010321
LOCATION ADDRESS:	6020 11 Street SE
HEARING NUMBER:	56399
ASSESSMENT:	\$3,510,000

This complaint was heard on June 8th, 2010 at the office of the Assessment Review Board located at 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- *Mr. Randall Worthington*
Representing Altus Group Inc.

Appeared on behalf of the Respondent:

- *Mr. Marcus Berzins*
- *Mr. Ian McDermott*
- *Mr. Jason Lepine*
Representing the City of Calgary

Property Description:

The subject property is a multi-tenanted (IWM) industrial building constructed in 1980 on a 1.70 acre site in the Burns (Riverview) district of the Central Industrial Region in Calgary. The building improvement covers 39% of the site with a net rentable area of 29,512 sq. ft. and 43% office finish. The subject property is assessed at \$119 psf. for a total assessment of \$3,510,000 rounded. The parties agreed that a small out building on the property assessed in previous years has been deleted from the 2010 assessment; and that a dispute over the assessment of a mezzanine area in the building has also been resolved.

Issues/Grounds for Complaint:

As per the decision with respect to Roll # 100009901, the Board will only address the issue of the fairness and equity of the assessment amount prepared by the Respondent based on the presentations of the parties on this specific issue. The Complainant is requesting a reduction in the assessment to \$107 psf. for a total assessment of \$3,150,000 based on equity with the assessments of similar properties in the Central Industrial Region.

Board's Findings on Equity:

The Board finds that the equity comparable properties submitted by the Complainant to be similar to the subject in most respects. The Board finds that the properties most similar to the subject from the six (6) submitted for consideration are:

- 1) 3851 Manchester Rd. SE: This property is an IWM of 30,660 sq. ft. of net rentable area; located in the Central Region; constructed in 1980 on a 1.47 acre site with site coverage of 47.34% and office finish of 22%. The property is assessed at \$107 psf.
- 2) 1165 – 44 Ave. SE: This property is an IWM of 32,424 sq. ft. of net rentable area; located in the Central Region constructed in 1978 on a 1.72 acre site with site coverage of 41.46% and office finish of 28%. The property is assessed at \$108 psf.

The Board finds that of the seven (7) equity comparable properties submitted by the Respondent only one is sufficiently similar to the subject to be considered comparable.

- 1) 6115 – 4 St. SE: This property is an IWM of 34,560 sq. ft. of net rentable area, located in the Central Region constructed in 1974 on a 4.54 acre site with site coverage of 35% and office finish of 47%. This property is assessed at \$112 psf.

The Board finds that all of most comparable properties submitted by the parties are assessed at a much lower rate than subject at \$119 psf.

On a balance of probabilities the assessment of the properties should be reduced to reflect equity with similar properties in the same market area (i.e. Central Region).

Board Decision:

The assessment for the subject property is reduced to \$107 per square foot for a total assessment of \$3,150,000.00 in order to reflect equity with similar properties in the same market.

Reasons for the Decision:

The ratepayer is entitled to the lower of market value or equity value in property assessment based on well established case law. The decision of the CARB reflects the fact that most of the sales evidence submitted by both parties includes properties which are not similar to the subject. The property at 4344 – 12 St. SE was considered by the Board to be the most similar to the subject and sold for a time adjusted price of \$106 per square foot which supports a reduced assessment. The income approach to value assessment prepared by the Appellant resulted in a value of \$108 psf. which also supports a reduced assessment.

MAILED FROM THE CITY OF CALGARY THIS 6 DAY OF July 2010.



T. Hudson
Presiding Officer

TH/kc

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.*