

**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***

***D. Julien, MEMBER***

***C. McEwen, MEMBER***

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 2010 Assessment Roll as follows:

**ROLL NUMBER:           091001008**

**LOCATION ADDRESS: 4150 14A ST SE**

**FILE NUMBER:           56386**

**ASSESSMENT:           \$ 3,390,000**

This complaint was heard on the 23<sup>rd</sup> day of June, 2010 at the office of the Assessment Review Board located at 4<sup>th</sup> floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- *Randall Worthington*                      *Altus Group*

Appeared on behalf of the Respondent:

- *Don Kozak*                                      *Assessor, City of Calgary*

**PROPERTY DESCRIPTION:**

The subject property is multi-tenanted (IWM) industrial building built in 1967 and located in Bonnybrook District of the Central Industrial Region. The building has 29,800 sf of net rentable area with 9% office finish. The site area is 2.06 acres with 33% site coverage. The current assessment based on sales comparison approach is \$3,390,000 or \$113 psf rounded. The requested assessment based on the income approach to value is \$2,460,000 or \$82 psf rounded.

**ISSUES/GROUNDS FOR COMPLAINT:**

The Complainant argued that the direct sales comparison approach to value does not yield a reasonable estimate of market value for the subject property. The alternative of the income approach to value is the best methodology given the state of the economy in Calgary during the valuation period.

**POSITION OF THE COMPLAINANT ON THE ISSUE:**

The Complainant presented an income approach to value based on a \$7.00 rent rate, 5% vacancy rate, a cap rate of 8% which produces a value of \$2,460,000. Evidence in support of the valuation factors used included a cap rate report from Colliers International which also included an analysis of vacancy rates. Several lease comparables as well as the rent roll from the subject property were submitted in defence of the rent rate used.

**POSITION OF THE RESPONDENT ON THE ISSUE:**

The Respondent argued that the subject is a reasonably typical industrial warehouse property which can be valued reasonably using the direct sales comparison approach because sales exist and similar comparables are available to establish equity.

The Respondent did not question the approach used by the Complainant, but rather presented sales evidence and equity comparables in an effort to demonstrate that the current assessment reflects both market value and equity with the assessments of similar properties in the same market area.

**BOARD FINDINGS:**

The sales evidence and equity comparables submitted by the Respondent demonstrate that the current assessment reflects both market value and equity with assessments of similar properties in the same market area.

**BOARD DECISION:**

The assessment is confirmed at \$3,390,000.<sup>00</sup>

**REASONS:**

The lack of sales evidence and equity comparables provided in support of the income approach to value submitted by the Complainant for the subject was pivotal in the decision. The Board was left with only the sales evidence and equity comparables submitted by the Respondent which clearly support the current assessment.

DATED AT THE CITY OF CALGARY THIS 23<sup>rd</sup> DAY OF JULY 2010.

  
T. Hudson  
Presiding Officer

TH/mc

Cc: Owner

*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.*