

**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***

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: 100007103**  
**LOCATION ADDRESS: 1110 58 AV SE**  
**FILE NUMBER: 59749**  
**ASSESSMENT: \$ 4,780,000**

This complaint was heard on the 24<sup>th</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:

- *Rob Ford*                                      *Assessor, City of Calgary*

### **PROPERTY DESCRIPTION:**

The subject property is a single tenanted (IWS) industrial building constructed in 1973 with a net rentable area of 81,258 sq ft. The property is located in the Burns industrial area in the Central Industrial region and occupies a site area of 3.43 acres with 54% site coverage. The building has 9% office and has the Calgary Fire Department as the lone tenant occupying only 23,956 sq ft of the rentable area. The remainder of the net rentable area was vacant at the valuation date. The current assessment is based on \$82 psf. The requested assessment is \$74 per sq ft rounded.

### **ISSUES/GROUNDS FOR COMPLAINT:**

The Complainant argued that the best method to establish market value for the subject property was to use the income approach to valuation versus the direct sales comparison approach used by the Respondent. The issue therefore is does current assessment of the subject reflect market value and equity with similar properties in the same market area.

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

The Complainant chose to value the subject property using the income approach to value using a rent rate of \$6.25, a vacancy rate of 3%, non recoverable at 2% and a Cap rate of 8%. This produced an assessment value of \$6,030,000 or \$74.27 psf. The Complainant also submitted a group of six (6) equity comparables which suggested a rate of \$76.32 per sq ft should be applied to be equitable which produces a value estimate of \$6,200,000. The requested value is \$6,030,000.<sup>00</sup>

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

The Respondent submitted a sales comparables chart of six sales which produced a median value of \$91 per sq ft. In addition, seven (7) equity comparables were submitted with a median assessed value of \$86 per sq ft. The Respondent presented several corrections to the equity comparables submitted by the Complainant which resulted in a revised median value of \$82 per sq ft.

### **BOARD FINDINGS ON THE ISSUE:**

The lack of comparable sales evidence with the possible exception of the sale of the property at 3916 – 56 Av SE for a time adjusted sale price of \$83 psf submitted by the Respondent. The income approach to value produced by the Complainant was also unconvincing with respect to establishing market value. With respect to equity the evidence of both parties (including the corrected evidence of the Complainant) was supportive of an assessment in the range of \$82 - \$85 psf for the subject

property.

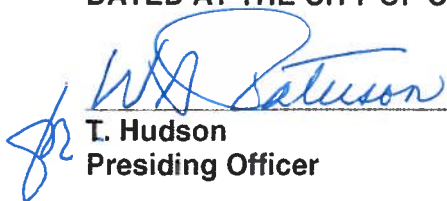
**BOARD DECISION:**

The taxable portion of the assessment is confirmed at \$4,780,000 or \$83 psf rounded. The space occupied by the Calgary Fire Department is tax exempt.

**REASONS:**

The market value of the subject property was difficult to establish given the lack of verifiable and comparable evidence before the Board. However, the equity of the current assessment was supported by the evidence of both of the parties.

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.*