

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaints against the property assessments 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

These are complaints to the Calgary Assessment Review Board in respect of the property assessments prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBERS:	091010116 & 091027607
LOCATION ADDRESSES:	1505 – 41 AVE SE & 4280 – 13A ST SE
FILE NUMBERS:	56299 & 56310
ASSESSMENTS:	\$ 9,670,000 & \$ 370,500

These complaints were heard on the 21st day of June, 2010 at the office of the Assessment Review Board located at 4th 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 properties are a multi-tenanted (IWM) industrial properties which includes four (4) one storey buildings, on one site; plus an adjacent 1.14 acre vacant parcel of land that is used to support the industrial buildings. The site area for the buildings is 4.26 acres with site coverage of 40.44%. The net rentable area combined is 75,120 sq. ft, with no office finish. The assessment on the IWM property based on the aggregate assessment of each of the buildings is \$9,670,000 or \$128 psf. The Complainant requests the assessment be reduced to \$8,190,000 or \$109 psf. The adjacent vacant parcel is assessed at \$370,500. The Complainant requests the assessment be reduced to zero, because it is only used for parking in support of the IWM buildings.

ISSUES:

The central issue between the parties is the fairness and equity of the assessment of the IWM property. Although there is no dispute about the valuation of the vacant land parcel, the Appellant insists that the assessment should be reduced to zero; because they argue the value is captured in the assessment of the IWM property.

BOARD FINDINGS ON THE ISSUES:

The Board finds that the sale of the property at 536-42 Ave SE is the best and only property similar to the subject IWM property included in the Respondent's evidence in support of the assessment. The comparable includes four (4) buildings on one site in the same market area as the subject. The combined net rental area is slightly larger than the subject, while site size and coverage is very similar to the subject.

The other feature of the comparable is significantly higher office finish which leads to the conclusion that the comparable is very similar but somewhat superior to the subject. The assessment of the comparable is \$10,380,000 or \$122 psf with an ASR of 1.04.

The property sold in September of 2007 for a time adjusted sale price of \$9,934,121 or \$115 per square foot.

Although both parties submitted equity comparables in support of these estimates of value, the Board finds little similarity between the comparables and the subject IWM property. With respect to the assessment of the vacant land parcel the Board finds that the current assessment is reasonable given the fact the property is distinct from IWM parcel and could be sold separately. The Board finds no justification to reduce the assessment to zero.

BOARD DECISION:

The assessment of the IWM property is reduced to \$9,009,000 or \$119 per square foot in order to restore equity with the similar property in the same market area. The assessment of the vacant land parcel is confirmed at \$370,500.

REASONS:

The sale and assessment of the comparable property at 536-42 Ave SE is the best evidence that the subject at 1505-41 Ave SE should be reduced in order to reflect market value and restore equity in the same market area. The comparable and subject are very similar with the exception of size which is meagre and office finish which is significantly greater in the comparable versus the subject, which led to an adjustment from \$122 psf for the comparable versus the subject at \$119 psf.

The assessment of the vacant parcel cannot be reduced to zero given the current conditions. If the vacant property was consolidated with the IWM property that would change the manner in which the vacant property is assessed.

DATED AT THE CITY OF CALGARY THIS 13th 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.*