

**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: 112137708

LOCATION ADDRESS: 7210 Blackfoot Trail SE

FILE NUMBER: 58935

ASSESSMENT: \$11,830,000

This complaint was 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:

- *George Bell* *Assessor, City of Calgary*

DESCRIPTION OF SUBJECT PREMISES:

The subject property is a 6.09 acre site, developed with four (4) buildings, with site coverage of 20.18%. The buildings include two single tenanted (IWS), one multi-tenanted (IWM) building, and one office (IOBS) building. The total net rentable area of the buildings is 74,704 sq. ft. assessed at an aggregate amount of \$158 psf. The current assessment is \$11,830,000 or \$158 psf rounded. The requested assessment is \$8,230,000 or \$110 psf rounded.

ISSUE:

This complaint is very similar to the dispute over the assessment of the property at 1505-41 Ave SE; the subject of a previous decision (Hearing #56299) of this Board. The issue is the fairness and equity of the current assessment of the subject property as compared to similar properties in the same market area.

BOARD FINDINGS ON THE ISSUE:

The Board finds that the sale of the property at 536-42 Ave SE is the best/only property similar to the subject included in the Appellants evidence in support of the requested reduction in the assessment. The comparable includes four buildings on one site in the same market area as the subject, and sold in September of 2007 for a time adjusted sale price of \$115 psf. However, there are also distinct differences between these properties, the most significant being the size of the comparable site at 4.72 acres and the site coverage at 40.47 acres. The Board finds this difference to be a major obstacle in making a finding of direct comparability of these two properties. The Board finds the Respondents sales comparables submitted in support of the current assessment also to be dissimilar to the subject also on the basis of site size and site coverage.

The Board also considered the income approach to value proposed by the Appellant, but considering the mix of buildings on the property rejected the use of one lease rate as reflective of market rent for each building.

The Board finds that the best way to compare the subject property and establish equity with similar properties was to look at each of the subject buildings separately. The assessment of the subject includes an adjustment for additional land and an assessment of one of the buildings (an IOBS on site, issues that are not in dispute).

Building #1

An IWM built in 1970 with a net rentable area of 30,692 sq. ft. and 65% office finish assessed at \$154 per square foot.

The best equity comparable based on similarity to the subject is the property at 7127 Fairmount Drive SE and IWS built in 1964 and assessed at \$156 psf.

Building #2

An IWS built in 1971 with a net rentable area of 31,196 sq. ft. with 19% office finish and assessed at \$152 psf.

The best equity comparable is the property at 7127 Fairmount Drive SE, an IWS built in 1964 with a net rentable area of 25,658 sq. ft. with 19% office finish and assessed at \$156 psf.

Building #3

An IWS built in 1971 with a net rentable area of 10,650 sq. ft. and 41% office finish assessed at \$219 psf.

The best equity comparable is the property at 424-36 Ave SE built in 1973 with a net rentable area of 9,725 sq. ft. with 46% office finish assessed at \$175 psf.

BOARD DECISION:

The assessment is reduced to \$11,360,000 or \$152 psf rounded based on a reduction in the assessment of building #3. All other building assessments on site are confirmed which includes the land adjustment.

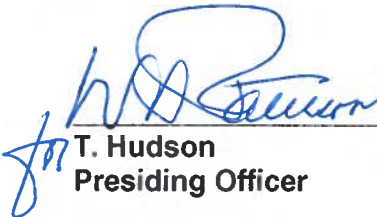
REASONS:

The Board believes that the Respondent is approaching the assessment of the subject property in an appropriate manner given the variance in buildings on the site. The Board further believes that the Appellant's argument that the subject would only trade in the market place as one property inclusive of all of the land and improvements is also appropriate.

The difficulty for the both parties is the lack of comparable sales evidence which reflect similar properties in the same market place during the valuation period.

Establishing equity of the overall assessment of the subject based on the assessments of reasonably comparable properties in the same market area seems the most reasonable approach given the realities at this time.

DATED AT THE CITY OF CALGARY THIS 12th 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.*