

**CALGARY
COMPOSITE 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:

Wernick Omura Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. Griffin, PRESIDING OFFICER

K. Kelly, MEMBER

A. Zindler, 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:	200921120
LOCATION ADDRESS:	4800 – 104 Avenue SE
HEARING NUMBER:	56253
ASSESSMENT:	\$4,910,000.

This complaint was heard on 13th day of August, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- Mr. B. Boccaccio

Appeared on behalf of the Respondent:

- Ms. Tanya Woo

Board's Decision in Respect of Procedural or Jurisdictional Matters:

There were no Procedural or Jurisdictional matters presented.

Property Description:

The subject property is a new multi-tenant style warehouse property that is located in the East Sheppard Industrial Park in southeast Calgary. The property is demised into 10 bays with 9 bays at 3,000 Sq. Ft. and 1 bay at 2,895 Sq. Ft. The property has a main floor area of 29,895 Sq. Ft. and a partial second floor of 7,486 Sq. Ft. for a total rentable area of 37,781 Sq. Ft. The property was constructed in 2009.

Issues:

The issues identified on the Assessment Review Board Complaint form are:

1. The subject [property has vacancy issues.
2. The subject property is generating less than market rents.
3. The capitalization rate applied may require adjustment.
4. The subject property has costs associated with same that have no bearing upon its market value and must be deducted from the building cost.

Complainant's Requested Value: \$3,500,000 (on the Complaint Form), Revised to \$4,010,000 at the Hearing.

Board's Decision in Respect of Each Matter or Issue:

The Complainant bases their requested revised assessment on a value derived through application of the Income Approach to Value; however, the Assessor has derived their estimate as to the assessable market value through application of the Sales Comparison Approach to Value. As a result of the foregoing the issues identified by the Complainant become moot.

The Complainant provided no evidence to the Board that would suggest that the Assessor has erred in their application of the Sales Comparison Approach to Value or that the value derived as a result of same is in error.

The Respondent submitted evidence which included sales to support the estimated assessed value; however, in submitting that evidence both the Complainant and the Board noted that the subject property had been improperly classified as being a single tenant warehouse as opposed to a multi-tenant warehouse. Upon questioning the Respondent acknowledged that this error may have resulted in the assessed value of the subject property being overstated by as much as \$3/Sq. Ft. The Board also noted that the Respondent reports the rentable building area of the subject as being 37,381 Sq. Ft. as opposed to the 37,781 Sq. Ft. reported by the Complainant. There was no explanation for the size differential other than to suggest a typographical error had occurred.

Board's Decision:

The Complaint is allowed, in part, as a matter of Correctness resulting from the size issue and the assessment is reduced to \$4,745,000.

DATED AT THE CITY OF CALGARY THIS 20 DAY OF August, 2010.



C. Griffin
Presiding Officer

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.*