

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the Property/Business assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460(4).

**between:**

***Altus Group Ltd., COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***L. Wood, PRESIDING OFFICER***

***C. McEwen, MEMBER***

***A. Wong, 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: 120020524**

**LOCATION ADDRESS: 3111 SHEPARD PL SE**

**HEARING NUMBER: 56444**

**ASSESSMENT: \$12,950,000**

This complaint was heard on 29th day of July, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *Mr. D. Mewha*

Appeared on behalf of the Respondent:

- *Mr. J. Lepine*

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

There were no procedural or jurisdictional matters raised at this hearing.

**Property Description:**

The subject property is comprised of two single tenant warehouses located on an 11.77 acre site in Shepard Industrial. The first warehouse has a rentable building area of 71,054 sq ft and the second warehouse has 6,090 sq ft (total of 77,144 sq ft). Both were built in 1998. The site coverage ratio is 13.70. The property is used to manufacture oil field equipment.

**Issues: (as indicated on the complaint form)**

1. Due to the characteristics & physical condition of the subject property, the cost approach would provide a more reliable estimate of market value for assessment purposes and should be \$90 psf.
2. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$71 PSF.

**Complainant's Requested Value:** \$8,150,000

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

The Board notes that an appendix to the complaint form contains several statements as to why the subject property's assessment is incorrect; however, the Board will only address those issues that were raised at the hearing.

**Due to the characteristics & physical condition of the subject property, the cost approach would provide a more reliable estimate of market value for assessment purposes and should be \$90 psf.**

The Complainant submitted that the subject property, which is used to manufacture oil field equipment, was assessed based on the direct sales comparison approach at \$167 psf for both buildings combined. However, the adjacent property (3001 Shepard PL SE), which is used for the same purpose and has the same owner as the subject property (Kearney Properties Ltd.), that property was assessed based on the cost approach at \$71 psf. The Complainant submitted, in light of these factors, the subject property should be assessed based on the cost approach as well.

The Complainant also submitted the Assessment Summary reports for adjacent properties which show that they are used for heavy industrial manufacturing and they are assessed based on the cost approach (Exhibit C1 pages 24, 37 & 44).

The Respondent submitted that these are typical warehouses as reflected in the photographs (Exhibit R1 pages 12 & 13). Therefore the subject property was assessed based on the direct sales comparison approach and its assessment is supported by several sales and equity comparables (Exhibit R1 pages 17-19).

The Board finds that this is a special use property, used for the manufacturing of oil field equipment. The Board also finds an inequity exists when the subject property is not assessed similarly to the adjacent heavy manufacturing industrial properties which are assessed based on the cost approach.

The Complainant provided cost data by Marshall & Swift for the two buildings on site for a total building cost of \$4,437,032 and a land rate of \$315,854 based on two neighbouring properties: 3001 Shepard PL SE (\$361,106/acre) and 3145 Shepard PL SE (\$270,602/acre) (Exhibit C1 pages 15-20).

The Board finds the cost data for the two buildings of \$4,437,032 is reasonable and notes that it was uncontested by the Respondent. However, the Board does not accept the average of the two land rates of the adjacent properties. The Board finds the best land comparable is 3001 Shepard PL SE but it has a traffic influence which the subject property does not share; therefore, the Board has determined that a 15% adjustment upwards would be required to make it comparable to the subject.

Based on the cost approach, the Board determines the value for the subject property as follows: \$4,437,032 (buildings) + \$4,884,550 (land) (\$415,000 per acre x 11.77 acres) = \$9,321,582.

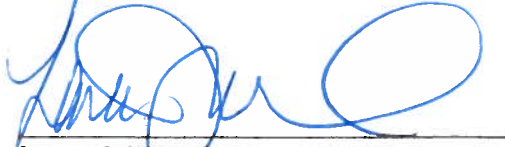
**The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$71 PSF.**

The Board has addressed the equity issue in its comments above.

**Board's Decision:**

The decision of the Board is to reduce the 2010 assessment for the subject property from \$12,950,000 to \$9,321,000 (truncated).

**DATED AT THE CITY OF CALGARY THIS 25 DAY OF AUGUST 2010.**

  
**Lana J. Wood**  
**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.*