

**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:

Colliers International Realty Advisors, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Hudson, PRESIDING OFFICER

D. Cochrane, MEMBER

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: 100010057

LOCATION ADDRESS: 6325 – 11 St. SE

HEARING NUMBER: 58699

ASSESSMENT: \$7,040,000

This complaint was heard on the 24th day of August, 2010 at the office of the Assessment Review Board located at 4th floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom #4.

Appeared on behalf of the Complainant: Mr. Michael Uhryn
Representative, Colliers International Realty Advisors

Appeared on behalf of the Respondent: Mr. Paul Sembrat
Representative, The City of Calgary

PROPERTY DESCRIPTION:

The subject property is a multi-tenanted industrial warehouse located in the Central Industrial Region at 6325 – 11 St. SE. The building, constructed in 1977, has a net rentable area of 70,680 sq. ft. with office finish of 100%. The site area is 3.86 acres with site coverage of 40.14%. The current assessment is based on a rate of \$99 per square foot, for a total of \$7,040,000.00 rounded. The requested assessment is for reduction to a rate of \$67.64 per square foot of building footprint for a total of \$4,560,000.

PRELIMINARY ISSUE:

The Complainant advised that both of the parties have agreed that the actual office finish for the subject property based on both photos and a site inspection is in the range of 40% versus the current factor of 100%. The Respondent advised that the assessed rate per foot has been reduced to \$93.90 per square foot as a result of this correction. Therefore the assessment subject to complaint has been reduced to \$6,630,000 rounded.

ISSUES/GROUNDS FOR COMPLAINT:

Although the complaint form filed by the Complainant lists numerous issues the central remaining issue is the correctness (market value) and equity of the assessment amount value for the subject property in comparison to similar properties.

COMPLAINANT POSITION ON THE ISSUES:

The Complainant submitted no sales evidence in support of a reduction in the assessment of the subject based on market value. With respect to equity the Complainant submitted a list of seven (7) properties located in the Foothills Industrial Area with assessments ranging from a low of \$76.00 per square foot (PSF) to a high of \$89.00 PSF based on the *footprint* of the buildings. The Complainant chose the rate of \$76 PSF as the most appropriate to apply to the subject footprint area; while the mean and median assessments of the seven (7) comparables is \$83.49 PSF and \$86 PSF respectively. A further reduction of 11% for the correction in office finish gives rise to the requested assessment of \$4,560,000 rounded or \$67.64 per square foot, based on the footprint of the building (i.e. 67,520 sq. ft.).

RESPONDENT POSTION OF THE ISSUES:

As previously noted, the revised assessment under complaint is \$6,630,000 rounded, based on a rate of \$93.90 PSF for 70,680 sq. ft. of *net rentable area*. In support of market value, the Respondent submitted two (2) sales of industrial properties in the same region as the subject with time adjusted sale prices of \$120 and \$115 per square foot of net rentable area. However, significant adjustments are necessary to both of the sales to bring them to direct comparability to the subject. With respect to equity the Respondent presented a list of six (6) comparables. When analyzed the equity comparables support the adjusted value of \$93.90 PSF after correction of the office finish factor to 42% from 100%.

BOARD FINDING ON THE ISSUES:

The evidence is inconclusive on the issue of market value. With respect to equity the Board finds that the revised assessment is equitable when compared to similar properties in the same industrial region.

DECISION:

The assessment is reduced to \$6,630,000 per the corrected assessment submitted by the Respondent.

DATED AT THE CITY OF CALGARY THIS 26 DAY OF August, 2010.



T. HUDSON
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.*