

**CALGARY
COMBINED 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 Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L.R. Loven, PRESIDING OFFICER

K. Farn, MEMBER

R. Deschaine, 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: 090088709

LOCATION ADDRESS: 4603 Manilla Road S.E.

HEARING NUMBER: 59680

ASSESSMENT: 1,890,000,

This complaint was heard on the 24th day of August, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- C. Van Staden, representing the Altus Group Limited, on behalf of Anwill Holdings Ltd. and Melbourn Management Ltd., as represented by Barclay Street Real estate Ltd.

Appeared on behalf of the Respondent:

- J. Young, representing the City of Calgary

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

Both the Respondent and the Complainant confirmed to the Board that they had no procedural or jurisdictional matters to be raised.

Property Description:

The subject property consists of 10,617 square foot industrial warehouse with 19% office finish and 30.09% site coverage, constructed in 1966, located in the Central region of Manchester on a 0.81 acre site. The property is zoned I-G Industrial-General. The total assessment is \$1,890,000.

Issue

1. Equity - the land rate applied to the subject property is incorrect, and creates inequity for the subject property;
2. Sales - the sale prices of similar sized property indicates the subject is over assessed; and,
3. Income - the income approach indicates the subject property is over assessed.

Complainant's Requested Value: \$1,800,000

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

Issue 1. Equity

The Complainant submitted a table showing one set of equity comparables. The table consisted of seven similarly sized buildings with site coverage from 27.22% to 54.58% assessed at from \$168 to \$195 per square foot. The Complainant noted, the comparables indicate that a rate of \$170 per square foot is reasonable for the subject property, and indicates a market value of \$1,800,000.

The Respondent submitted no evidence or argument with regards to equity.

Based on its consideration of the above evidence and argument, the Board finds that the requested assessment is within 5% of the assessed value.

Issue 3. Sales

The Complainant withdrew a table of three sales comparables indicating an assessed rate of \$170 per square foot or a market value of \$1,800,000.

The Complainant submitted no evidence or argument with respect to sales.

Based on its consideration of the above evidence and argument, the Board finds that the requested assessment is within 5% of the assessed value.

Issue 3. Income

The Complainant submitted a table showing 93 office/warehouse leases ranging from \$5.25 to \$17.00 per square foot with a median of \$9.50 per square foot and a median of 2009 leases of \$9.50 per square foot, and noting that the Respondent had previously agreed that a vacancy rate of 5% and a capitalization rate of 8% was reasonable then the subject property would have to achieve a rental rate of \$15 per square foot to obtain an indicated value of \$1,890,000. Using the above vacancy and capitalization rates the Complainant indicated the market value on an income approach, based on a rental rate of \$9.50 per square foot, is \$1,197,730.

The Respondent submitted no evidence or argument that the Complainant incorrectly applied the components from which value is derived; nor did the Respondent argue the vacancy, non-recoverable or capitalization rates used by the Complainant.

Based on its consideration of the above evidence and argument, the board finds that Complainant's requested assessment developed by the Income Approach does not support the requested assessment based on equity.

Summary:

The valuation method applied in this instance was the Sales Comparison Approach. The use of this approach to value is contextually allowed in the legislation. In this case, the Complainant's requested assessment was not supported by market lease rates. To rely on this evidence could result in inequity and unfairness in the assessed value of the subject property.

Board's Decision:

For the reasons set forth above, the assessment of the subject property is hereby confirmed as follows: \$1,890,000.

DATED AT THE CITY OF CALGARY THIS 1 DAY OF November 2010.


L.R. LOVEN
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.*