

**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  
R. Deschaine, MEMBER***

This is a complaint to the Calgary Combined 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: 101031607**

**LOCATION ADDRESS: 5909 6 Street S.E.**

**HEARING NUMBER: 57550**

**ASSESSMENT: 4,630,000**

This complaint was heard on the 26<sup>th</sup> 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:

- R. Worthington, representing Altus Group Limited, on behalf of Southland Transportation Ltd.

Appeared on behalf of the Respondent:

- R. Luchak, 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 a 35,345 square foot single tenant industrial warehouse, constructed in 1973 with 49% office finish and a 4,620 square foot industrial out building with 51% finish constructed in 1973, located in the Central region in the community of SM4H, on an 3.25 acre site with 28.19% site coverage. The property is zoned I-G (Industrial-General). The total assessment is \$4,631,227 or \$115.00 per square foot.

### **Issues**

1. Sales;
2. Equity; and,
3. Income.

**Complainant's Requested Value:** \$3,910,000

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

#### **Issue 1. Sales**

The Complainant submitted a table containing seven sales comparable as summarized below, three of IWS and four IWM type type located in central and districts SE, indicating an assessment rate of \$107.00 per square foot for 39,965 square feet, or \$4,276,255, revised in the hearing to 35,345 square feet or \$3,780,000 plus \$46,200 or \$3,820,000.

<b>Factor</b>	<b>Complainant Min</b>	<b>Respondent Min</b>	<b>Subject</b>	<b>Complainant Max</b>	<b>Respondent Max</b>
Year of Construction (year)	1960	1967	1964	1983	2005
Site Coverage (%)	18.24	31.21	28.23	58.19	46.34
Finish (%)	18	8	49	51	53
Parcel Size (Acres)	1.85	1.17	3.25	4.15	2.96
Building Area (Sq.Ft)	33,040	25,617	39,965	48,000	50,170
Rate (\$/Sq.Ft)	78	117	115.85	107	149

The Respondent submitted ten sales comparable, three located in the central region and seven in the NE, five IWM and five IWS types, as summarized above.

Based on its consideration of the foregoing evidence and argument the Board finds that the range of values for the sales comparables presented gives the Board little to rely upon to determine the value that subject property may have been assessed unfairly.

### **Issue 2. Equity**

The Complainant submitted no equity comparables.

<b>Factor</b>	<b>Respondent Min</b>	<b>Subject</b>	<b>Complainant Max</b>
Year of Construction (Year)	1957	1964	1987
Site Coverage (%)	21	28	28
Finish (%)	8	49	68
Parcel Size (Acres)	2.88	3.25	3.69
Building Area (Sq.Ft)	30,208	35,345	39,193
Rate (\$/Sq.Ft)	118	115.85	152

The Respondent submitted seven equity comparables all zoned I-G, located in the central region and of IWS building type as summarized above.

Based on its consideration of the foregoing evidence and argument the Board finds that the subject property may have been fairly assessed with respect to equity.

### **Issue 3. Income**

The Complainant provided a table of four leases located at 3201 Ogden Road SE in the district of Bonnybrook for Roll # 078076403 showing an average lease rate of \$6.75 per square foot.

The Complainant then put forward an argument supporting the use of the Income Approach, and applied a rental rate of \$8.25 per square foot to a capitalization rate of 8.0% and a vacancy rate of 5% to determine a requested assessment of \$3,915,321, revised in the hearing to \$3,500,000 or \$99.00 per square foot. The Complainant further submitted the assessed value of \$4,630,000 would require a rental rate of \$9.76 per square foot.

The Board finds that, in this case, the rent rate used by the Complainant was not supported by the comparable leases, and indicates a lower requested value than that indicated by the Complainant's sales comparables.

### **Summary:**

The Complainant referred the Board to a table of improved industrial properties sales used and highlighted that multi buildings are no longer amalgamated and the aggregate total used for sales data.

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. The Complainant advanced an argument

supporting the use of the Income Approach. There was little support for the rental rate used by the Complainant to determine the requested assessment, and little other argument or evidence that the Board could rely upon.

**Board's Decision:**

For the reasons set forth above, the assessment of the subject property is hereby confirmed as follows: \$4,630,000.

DATED AT THE CITY OF CALGARY THIS 13 DAY OF October 2010.

  
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**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.*