

**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

K. Farn, 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: 101034403

LOCATION ADDRESS: 5304 3 Street S.E.

HEARING NUMBER: 58882

ASSESSMENT: \$2,860,000

This complaint was heard on the 27th 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 Superior Holdings 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 25,147 square foot single tenant industrial warehouse, constructed in 1964 with 22% office finish, located in the Central region in the community of South Manchester (SM3), sited on a 1.3 acre site with 44.54% site coverage. The property is zoned I-G (Industrial-General). The total assessment is \$2,869,440, being \$114.00 per square foot.

Issues

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

Complainant's Requested Value: \$2,610,000

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

Issue 1. Sales

The Complainant submitted a table containing five sales comparables having ranges of the comparison factors as summarized below, all located in the central region, indicating an assessment rate of \$106.00 per square foot for 25,147 square feet, or \$2,665,582, truncated to \$2,660,000.

Influence	Complainant Min	Respondent Min	Subject	Complainant Max	Respondent Max
Year of Construction (Years)	1904	1967	1964	1974	1976
Site Coverage (%)	20.4	33.98	44.54	50.98	44.4
Finish (%)	3	7	22	63	44
Parcel Size (Acres)	0.8	0.99	1.3	3.23	1.17
Building Area (Sq.Ft)	24,704	14,630	25,147	29,988	29,988
Rate (\$ /Sq.Ft)	82	117	114	119	149

The Respondent submitted six sales comparables, four located in the central region and three in the NE, three multi-tenanted properties and three single-tenanted properties, the ranges of the comparative factors are summarized above.

Based on its consideration of the foregoing evidence and argument, the Board finds, based in part on the similarity of a sales comparison of the Respondent at \$106.00 per square foot, that the subject property has been assessed unfairly with respect to sales.

Issue 2. Equity

The Complainant submitted a table of ten equity comparables all located in the central region, eight in the Manchester District, ranging in values from the subject as summarized below.

Influence	Complainant Min	Respondent Min	Subject	Complainant Max	Respondent Max
Year of Construction (Year)	1956	1962	1964	1980	1981
Site Coverage (%)	33.92	30	44.54	55.91	47
Finish (%)	7	5	22	42	29
Parcel Size (Acres)	0.98	1.19	1.3	1.71	2.38
Building Area (Sq.Ft)	22,800	22,464	25,147	28,800	25,390
Rate (\$/Sq.Ft)	93	113	114	121	125

The Respondent submitted seven equity comparables, all zoned I-G, located in the central region and of single tenant industrial warehouse (IWS) building type, ranging in comparison factors as summarized above.

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

Issue 3. Income

The Complainant provided a table of nine lease for properties located in the SE at 3201 Ogden Road SE showing a median lease rate of \$7.15 per square foot.

The Complainant then put forward an argument supporting the use of the Income Approach, and applied a rental rate of \$8.75 per square foot to a capitalization rate of 8.0% and a vacancy rate of 5% to determine a requested assessment of \$2,612,930. The Complainant further submitted, using the same Income Approach factors, the assessed value of \$2,860,000 would require a rental rate of \$9.58 per square foot.

The Board finds that, in this case, the rent rate used by the Complainant supports the requested assessment value.

Summary:

The Complainant referred the *Board to Calgary Assessment Review Board ARB1030/2010-P, ARB 0756/2010-P and ARB 0758/2010-P*, as well as pages 32 to 65 and 290 to 292 of its submission C-2.

The Respondent referenced in tis submission *Calgary Assessment Review Board ARB 0638/2010-P, ARB 0522/2010-P and Alberta Municipal Government Board DL 068/08*.


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. The \$106.00 per square foot indicated assessment rate was supported by the Complainant's sales comparable and the similarity of a sale comparable submitted by the Respondent.

Board's Decision:

For the reasons set forth above, the assessment of the subject property is hereby adjusted as follows: 25,147 square feet at \$106.00 per square foot provides for an assessed value of \$2,665,582 truncated to \$2,600,000.

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