

**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***

***P. Grace, MEMBER***

***B. Jerchel, 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: 090094608**

**LOCATION ADDRESS: 4013 BRANDON STREET SE**

**HEARING NUMBER: 59907**

**ASSESSMENT: \$2,230,000**

This complaint was heard on 30th day of August, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *Mr. R. Worthington*

Appeared on behalf of the Respondent:

- *Mr. J. Young*

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

There were no procedural or jurisdictional matters raised by the parties during the hearing.

**Property Description:**

The subject property is a single tenant warehouse comprised of 15,422 sq ft of rentable building area, located on a 0.76 acre site in Manchester Industrial. The warehouse was constructed in 1970. The land is zoned I-G, Industrial General. The site coverage ratio is 46.87.

**Issues:**

1. The characteristics & physical condition of the subject property support the use of the income approach utilizing typical market factors for rent, vacancy, management, non recoverables and cap rates, indicating an assessment market value of \$115 psf.
2. The aggregate assessment per square foot applied to the subject property does not reflect the market value for assessment purposes when using the direct sales comparison approach and should be \$104 psf.
3. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties.

**Complainant's Requested Value:** \$1,600,000

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

The Board notes that there were several statements on the appendix to the complaint form; however, it will only address those issues that were raised at the hearing. The issues reflect the rates per square foot as indicated at the hearing as opposed to the complaint form.

**The characteristics & physical condition of the subject property support the use of the income approach utilizing typical market factors for rent, vacancy, management, non recoverables and cap rates, indicating an assessment market value of \$115 psf.**

The Complainant submitted several lease comparables for the Board's consideration and indicated

a typical rental rate of \$9.25 psf (Exhibit C1 page 16). The Complainant submitted an 8% capitalization rate and 5% vacancy rate, which were uncontested by the Respondent, to arrive at an assessed value of \$1,694,010 (Exhibit C1 page 17).

The Board is not convinced that the income approach to value is appropriate in this instance because it appears to under value every sale that was presented by both parties and as a result, the Assessment to Sales Ratios (ASRs) are too low (Exhibit C1 page 19; Exhibit R1 pages 37 & 38). Applying the rental rate of \$9.25 psf to sales of older buildings creates an even wider disparity in ASRs.

**The aggregate assessment per square foot applied to the subject property does not reflect the market value for assessment purposes when using the direct sales comparison approach and should be \$104 psf.**

The Complainant presented several sales comparables to suggest a rate of \$104 psf but he was unable to show how that rate was derived (Exhibit C1 page 19). The Board is unable to draw any conclusions from the Complainant's sales comparables because they require too many adjustments. The Board preferred the sales comparables presented by the Respondent although the time adjusted sales prices (TASP) are higher, on average, per square foot than the subject property (Exhibit R1 page 37).

**The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties.**

The Complainant presented several equity comparables to show the assessment for the subject property is overstated but he did not suggest a rate per square foot for the subject property (Exhibit C1 page 18). The Board is unable to draw any conclusions from the Complainant's equity comparables because they require too many adjustments. The Board prefers the equity comparables presented by the Respondent because they are more similar to the subject property (Exhibit R1 page 36).

**Board's Decision:**

The decision of the Board is to confirm the 2010 assessment for the subject property at \$2,230,000.

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

  
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Lana J. Wood  
Presiding Officer

**APPENDIX A****DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:**

<b>NO.</b>	<b>ITEM</b>
Exhibit C1	Evidence Submission of the Complainant
Exhibit C2	Altus Binder
Exhibit C3	Assessment Review Board decisions & legislation excerpts
Exhibit R1	City of Calgary's Assessment Brief

*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.*