

**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: 090000803

LOCATION ADDRESS: 4340 MANHATTEN ROAD SE

HEARING NUMBER: 59254

ASSESSMENT: \$4,870,000

This complaint was heard on 31st 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:

- *Ms. M. Lau*
- *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 55,156 sq ft of rentable building area, located on a 2.22 acre site in North Manchester. The warehouse was constructed in 1964. The land is zoned I-G, Industrial General. The site coverage ratio is 52.85.

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 \$80 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 \$86 psf.

Complainant's Requested Value: \$4,420,000

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 \$80 psf.

The Complainant submitted lease comparables from two properties for the Board's consideration and indicated a median lease rate of \$6.75 psf (Exhibit C1 page 17). The Complainant submitted an 8% capitalization rate and 5% vacancy rate, which were uncontested by the Respondent, to arrive at an assessed value of \$4,421,098 (Exhibit C1 page 18).

The Board is not convinced that the income approach to value is appropriate in this instance. The lease data is very limited because it is only based on two buildings and there was no lease information provided in regards to the subject property. The Board finds there was no evidence to show that the income approach is the preferred method of valuation in this instance.

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 \$86 psf.

The Complainant presented several sales comparables to suggest a rate of \$86 psf for the subject property is too high; however, the Complainant was unable to show how he derived \$86 psf. The Board finds the Complainant's evidence is contradictory because the sales comparables support the subject property's assessed rate of \$88 psf (Exhibit C1 page 19). The Board finds the sales comparables presented by the Respondent support the assessment as well (Exhibit R1 page 41).

The Board finds that there was insufficient evidence presented by the Complainant to bring the assessment of the subject property into question.

Board's Decision:

The decision of the Board is to confirm the 2010 assessment for the subject property at \$4,870,000.

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



Lana J. Wood
Presiding Officer

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

NO.	ITEM
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.*