

**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:**

***Board Chair, J. Zezulka  
Board Member 1, B. Jerchel  
Board Member 2, E. Reuther***

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:

<b>ROLL NUMBER:</b>	<b>135000206</b>
<b>LOCATION ADDRESS:</b>	<b>10120 - 52 Street S.E. Calgary, Alberta</b>
<b>HEARING NUMBER:</b>	<b>59385</b>
<b>ASSESSMENT:</b>	<b>\$5,390,000</b>

This complaint was heard on 10 day of August 2010 at the office of the Assessment Review Board located at 4<sup>th</sup> Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- *D. Mewha*

Appeared on behalf of the Respondent:

- *T. Woo*

**Property Description:**

A single tenant industrial warehouse property, comprised of 9.62 acres of land, improved with two industrial warehouses of 3,444 sq. ft. and 27,620 sq. ft. The larger building has a footprint of 22,120 sq. ft. Total site coverage is 6.10 per cent. The location is the East Shepard Industrial Subdivision.

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

As a procedural note, it became evident that there was a disparity in the amount of finished space between the Complainant and the Respondent. By mutual consent, the Board accepted the finished space at 24 per cent, as presented by the Respondent.

**Issues:**

1. The assessed value is not reflective of the property's market value.
2. The assessed value is inequitable with comparable property assessments.

**Complainant's Requested Value:** \$3,600,000.

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

The current assessment is based on a rate of \$163 per sq. ft. applied to the larger building, for a total of \$4,513,548, and \$257 per sq. ft. to the smaller 3,444 sq. ft. structure, for a total of \$885,103. The two amounts represent the total assessment of \$5,398,651. Overall, the assessment calculates to \$173 per sq. ft.

Issue 1

The Complainant presented six comparables on page 15. In his submission the adjusted per sq. ft. rates ranged from \$138 to \$224 per sq. ft.. The median appeared at \$143. The Complainant pointed to two comparables in particular. One, at 9416 – 40 Street S.E., is a two building trucking terminal. The lot size, total building area, finish percentage, and site coverage, is very similar to the subject. The transaction took place in 2007. The Complainant adjusted the selling price for time to \$110.00 per sq. ft. The Respondent did not dispute the time adjustment.

Another of the Complainant's comparables was a property acquired by an existing tenant. Another was a post facto transaction. Both were excluded from consideration by the Board. The remaining data reflect an average selling price of \$119 per sq. ft.

The Respondent presented four transactions on page 11 of his submission. Two of the properties were intended to represent the larger of the two subject buildings, and two were intended for comparison with the smaller building. However, in the board's opinion, the market simply does not react to multiple building properties in the same manner. Unless there is obvious potential for subdivision, it is unlikely that a potential purchaser will isolate various property components and assign separate values in an acquisition decision. Moreover, one of the comparables is larger than the total combined subject. And the Board wonders why this property would not have served as a comparable for the subject property in its entirety. In addition, the two comparables intended to be compared to the smaller subject building are small buildings on small lots, simply not comparable to the subject property. In the final analysis, the Board did not find the Respondent's market evidence to be very useful.

## Issue 2

In support of his equity argument, the Complainant presented one property at 5515 – 98 Avenue S.E. This property is located directly across from the subject. It is a 36,171 sq. ft. trucking facility on 19.38 acres of land. The assessment calculates to \$6,685,949, or \$184 per sq. ft. of building. The site is ten acres larger than the subject. By excluding the extra ten acres, a 'net' value of \$4,435,000, or \$136 per sq. ft. is produced.

The Respondent presented four equity comparables on page 10 of the submission. Two were intended to represent the larger building on the subject, and two were intended to represent the smaller building. The first of the comparables, is the best one presented by the Respondent. However, the comparable is 18 years newer than the subject, and has over twice the site coverage. The second comparable, at 10220-52 Street—is a partial assessment of a much larger property. An 83,222 sq. ft. manufacturing facility located on the property was excluded from the analysis. The last two, at 10504-42 Street, and 4467-104 Avenue S.E., are both 26 years newer than the subject, and are not considered to be good indicators for the subject. The Respondent's equity comparables were disregarded by the Board.

## Board's Decision:

The Board finds that the evidence submitted by the Complainant to be more compelling than any evidence submitted by the Respondent. The assessment is reduced to \$128 per sq. ft overall. That rate is about midway between the rate indicated by the Complainant's market comparables, and the rate indicated by the Complainant's equity data. The assessment is reduced to \$3,970,000.

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

  
J. Zezulka  
Presiding Officer

**List of Exhibits**

C-1; Evidence submission of the Complainant  
C-2; Altus Group Industrial Argument  
C-3; Altus Group 2010 Rebuttal Evidence  
R-1; City of Calgary Assessment Brief  
R-2; Industrial CARB; Response to Altus 2010 Industrial Argument

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*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.*