

**CALGARY
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 Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

S. Rourke, MEMBER

R. Roy, MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER:	118007004
LOCATION ADDRESS:	5350 86 AV SE
HEARING NUMBER:	58969
ASSESSMENT:	\$31,610,000

This complaint was heard on the 8th day of September, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- Mr. J. Weber (Altus Group Ltd.)

Appeared on behalf of the Respondent:

- Mr. J. Lepine

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

None. The merit hearing proceeded.

Property Description:

The subject property is a 17.31 acre parcel located in SECTION 23 in SE Calgary. The site contains a 345,674 sq. ft. multi tenant industrial warehouse that was constructed in 2008. The site coverage is 45.85%.

Issues:

The "Assessment Review Board Complaint" form contained 7 Grounds for appeal. At the outset of the hearing the complainant advised that there was only one outstanding issue, namely: "the subject is not assessed equitably when compared to the assessment of similar properties."

Complainant's Requested Value: \$25,170,000

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

Issue - Equity

The complainant submitted evidence package labelled C-1.

The complainant at page 71, in support of his equity request for an assessment of \$80 / sq. ft. provided a list of 6 purported comparables with assessments ranging from \$77.15 to \$82.36 / sq. ft. The current assessment is calculated to be \$91.44 / sq. ft.

The complainant at page 72 provided a series of "backout" calculations suggesting that an assessment of \$73 / sq. ft. would result, if the rental rate utilized in the income approach to value was \$5.75 / sq. ft.

The respondent submitted evidence package labelled R-1.

The respondent at page 18 provided the "Tenant Rent Roll" and argued that the typical rent for this building is closer to \$6.50 / sq. ft. than the \$5.75 sq. ft. requested by the complainant.

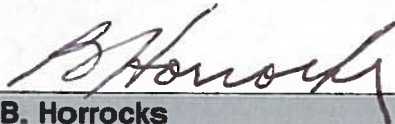
The Board finds the "Tenant Rent Roll" provides the best evidence and concludes the appropriate rental rate to be utilized in the income approach to value is \$6.50 / sq. ft.

Utilizing a rental rate of \$6.50 / sq. ft. and a Cap rate of 7.5% yields a market value of \$28,000,000.

Board's Decision:

The 2010 assessment is reduced to \$28,000,000.

DATED AT THE CITY OF CALGARY THIS 15 DAY OF September 2010.



B. Horrocks
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.*