

**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:**

***L. Wood, PRESIDING OFFICER***

***P. Grace, MEMBER***

***B. Jerchel, 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:

<b>ROLL NUMBER:</b>	<b>091000505</b>
<b>LOCATION ADDRESS:</b>	<b>3807 9 STREET SE</b>
<b>HEARING NUMBER:</b>	<b>58876</b>
<b>ASSESSMENT:</b>	<b>\$2,520,000</b>

This complaint was heard on 1st day of September, 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. R. Luchak*

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

An issue arose mid way through the hearing regarding the equity comparables presented by the Complainant and the same properties showing different values as presented by the Respondent. The Board recessed to allow the Respondent an opportunity to clarify the discrepancies for the Complainant and the Board. The Complainant did not object. The Respondent submitted that the properties had exemption or contamination issues that were not reflected on the City's website of which the Complainant had relied. The Board marked this documentation as Exhibit R2.

**Property Description:**

The subject property is a multi tenant warehouse comprised of a rentable building area of 22,700 sq ft, located on a 1.01 acre site in Highfield. The site coverage ratio is 51.39. The warehouse was built in 1971. The land is zoned I-G, Industrial General.

**Issues: (as indicated on the complaint form)**

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 \$86 psf.
2. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$104 psf.

**Complainant's Requested Value:** \$1,810,000

**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 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 \$86 psf.**

The Complainant provided two calculations based on the income approach for the Board's

consideration. He provided a rental rate of \$6.75 psf based on the actual leases in place in the subject building and a median rental rate of \$7.25 psf based on lease comparables (Exhibit C1 pages 21- 24). The Board notes the 8% capitalization rate and 5% vacancy rate were uncontested by the Respondent.

The Board finds the leases in the subject property are dated, commencing in 2005. In reviewing the typical lease information, the Board finds it more reliable as the leases are mainly from 2008; however, there is no indication that the income approach provides a better value than the direct sales comparison approach in this instance. The Board finds the sales comparables presented by the Respondent are within a tight range and support the assessment of the subject property (Exhibit R1 page 20).

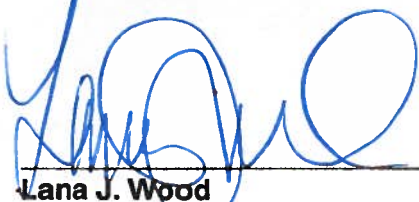
**The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$104 psf.**

The Board did not rely on either party's set of equity comparables due to the discrepancies that arose based on the City of Calgary's website not indicating exemptions or contamination that affected several comparable properties. The Board recognizes the disadvantage it would cause the Complainant had it relied on the documentation marked as Exhibit R2 and therefore chose to disregard it in its entirety.

**Board's Decision:**

The decision of the Board is to confirm the 2010 assessment for the subject property at \$2,520,000.

DATED AT THE CITY OF CALGARY THIS 14 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
Exhibit R2	Equity comparables showing contamination or exemptions

*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.*