

**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 Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER: 091028910

LOCATION ADDRESS: 5040 12A STREET SE

HEARING NUMBER: 56315

ASSESSMENT: \$2,100,000

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:

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 9,396 sq ft of rentable building area, located on a 0.56 acre site in Highfield. The warehouse was built in 1997. The land is zoned I-G, Industrial General. The site coverage ratio is 29.47.

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 \$120 psf.
2. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$190 psf.

Complainant's Requested Value: \$1,120,000

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 \$120 psf.

The Complainant submitted twelve lease comparables that ranged from \$7.50 to \$10.00 psf and indicated a median lease rate of \$9.50 psf (Exhibit C1 page 19). The Complainant submitted a 7.5% capitalization rate and 5% vacancy rate to arrive at an assessed value of \$1,129,449 (Exhibit C1 page 20).

The Board is not convinced that the income approach to value is appropriate in this instance. The lease comparables are located in properties that are 20 years older than the subject property and there was limited evidence provided about these leases. The Board also notes that three of the leases are post facto. Moreover, the variables utilized by the Complainant in the income approach appear to under value the sales that were presented by the Respondent and as a result, the Assessment to Sales Ratios (ASRs) are too low (Exhibit R1 pages 20 & 21).

The Respondent submitted five sales comparables (time adjusted) that ranged from \$216 psf to \$245 psf in support of the assessment of the subject property at \$224 psf (Exhibit R1 page 20). The Board finds the Respondent's sales comparables are similar to the subject property and support the assessment. No sales comparables were presented by the Complainant.

The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$190 psf.

The Complainant submitted five equity comparables, two of which have similar site coverage as the subject property and ranged in assessed value from \$180 psf to \$200 psf with a median rate of \$190 psf (Exhibit C1 page 21). The Respondent submitted six equity comparables that ranged in assessed value from \$204 psf to \$263 psf (Exhibit R1 page 19).

The Board finds the Complainant's evidence contradictory because his best equity comparables, once adjusted for finish similar to the subject property at 67%, would support the assessment of the subject property. The Board finds the Respondent's equity comparables are similar to the subject property and support the assessment at \$224 psf.

Board's Decision:

The decision of the Board is to confirm the 2010 assessment for the subject property at \$2,100,000.

DATED AT THE CITY OF CALGARY THIS 13 DAY OF OCTOBER 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.*