

**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-26.1, Section 460(4).

between:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Helgeson, PRESIDING OFFICER

M. Grace, MEMBER

I. Fraser, MEMBER

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

ROLL NUMBER: 054014691

LOCATION ADDRESS: 420 28th Street N.E.

HEARING NUMBER: 56318

ASSESSMENT: \$11,530,000

This complaint was heard on the 24th day of August, 2010 at the office of the Assessment Review Board located at 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- *D. Chabot*

Appeared on behalf of the Respondent:

- *J. Lepine*

Property Description:

The subject property comprises two warehouses, both classified as “industrial warehouse multiple tenant” (“IW M”) for assessment purposes, situated on a 7.34 acre site in of the Franklin area in northeast Calgary. Site coverage is 39%. The subject property has been assessed at \$11,530,000 as “truncated”, or rounded off. Both warehouses were constructed in 1980. The smaller warehouse has a rentable area of 60,520 square feet, with 37% finish, and its share of the assessed value is \$5,261,481, or \$86 per square foot . The larger warehouse, with 64% finish, has a rentable area of 72,184 square feet, and its share of assessed value is 6,274,278, or \$86.92 per square foot.

Issues:

Is the assessment of the subject property fair and equitable?

Complainant's Requested Value:

The Complainant submitted that the assessment of the subject property is too high, and put into evidence four comparable properties, two of which were in the same classification as the subject, i.e: “IW M”. One of these IW M comparables was located in the Franklin industrial area, the other in the North Airways area. The building on the Franklin comparable, with 26% finish and a rentable building area of 73,728 square feet was constructed in 1976 on a 4.69 acre site, for a site coverage of 36%. The North Airways comparable also constructed in 1976 but on a 6.3 acre parcel, has 57% finish and a rentable area of 110,944 square feet, for a site coverage of 40%.

As allocated to rentable floor area, the Franklin assessment is \$82.33 per square foot, and the North Airways assessment is \$76.34 per square foot. The rentable building areas of these two properties were more comparable to the rentable building area of the subject property, at 126,120 square feet* (Complainant's calculation of floor area), hence are better comparables than the Respondent's equity comparables, which have rentable building areas in the 50,000 to 70,000 square foot range.

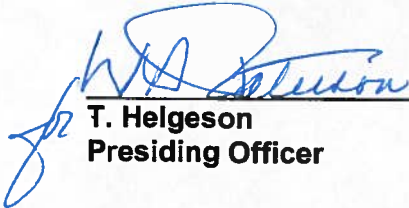
With respect to the axiom that buildings with smaller floor areas sell for higher values per square foot than buildings of similar quality but with larger floor areas, the Complainant referred the panel to a recent decision of the Calgary Assessment Review Board (ARB 0758/2010-P) in which the panel found that where there are two or more buildings on a single parcel of land, the building areas should be valued as a whole, simply because the buildings, being part and parcel with the land, will sell with the land, instead of individually. The Complainant requested an assessment based on \$80 per square foot of rentable building area, for an assessed value of \$10,610,000.

*Complainant's calculation of site area.

Board's Decision:

The panel found the Respondent's two "IW M" comparables the most comparable to the subject property of all the comparables put into evidence by either party. Site size, floor area, degree of finish, site coverage and year of construction were well within a reasonable range of those of the subject. The assessment per square foot of the building area of the Franklin comparable was \$82.33 per square foot, and that of the North Airways property was \$76.34 per square foot. Upon due deliberation, the panel found that the Complainant's request for an assessment based on \$80 per square foot of total building area of the subject property would result in a fair and equitable assessment, and accordingly, reduced the assessment to \$10,610,000, as truncated.

DATED AT THE CITY OF CALGARY THIS 30 DAY OF SEPTEMBER 2010.



T. Helgeson
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.*