

**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

I. Fraser, MEMBER

M. Grace, MEMBER

This is a complaint to the Composite Assessment Review Board of the City of Calgary 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: 054008404
LOCATION ADDRESS: 2719 5th Avenue N.E.
HEARING NUMBER: 59620
ASSESSMENT: \$2,680,000

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 a single-tenant industrial warehouse situated on an 1.56 acre site in the Meridian area of northeast Calgary. The warehouse was constructed in 1967, and has a total rentable floor area of 30,000 square feet, including office space. Site coverage is 44%. The subject property has been assessed at \$2,680,000, or \$89 per square foot of rentable floor area. The land use designation of the subject property is "Industrial-General" pursuant to the City of Calgary's Land Use Bylaw.

Issues:

Is the income approach the best approach for valuation of the subject property, and if so, should the assessment of the subject property be reduced to the amount requested by the Complainant, based on the income approach?


Complainant's Requested Value:

The Complainant submitted that lease rates of comparable properties were in the \$6 to \$7 per square foot range (as adjusted for age), and, based on a lease rate of \$6.75 for the subject property, net annual operating income would be \$192,497. If capitalized at 8%, the net operating income would indicate a value of \$2,406,206. Therefore, the assessment of the subject property (as "truncated") should be \$2,400,000.

Board's Decision:

The Board heard the evidence and vigorous argument of the Complainant, then heard the Respondent, whose evidence consisted of time-adjusted sales comparables. According to the Respondent, the subject had been assessed at the low end of comparable properties in terms of assessed value per square foot of rentable building area. Having carefully considered the evidence and the arguments of both parties, and upon due deliberation, the Board found the Respondent's assessment comparables persuasive. In the Board's view, the assessment of the subject property is fair and equitable. Accordingly, the assessment of the subject property was confirmed at \$2,680,000.

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.*