

**CALGARY
COMPOSITE 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:

Steven C. Kashuba, PRESIDING OFFICER

M. Peters, 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: 090074634

LOCATION ADDRESS: 3820 Manchester Road SE

HEARING NUMBER: 56377

ASSESSMENT: \$1,870,000

This complaint was heard on 1st day of October, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- *C. Van Staden*

Appeared on behalf of the Respondent:

- *Todd Luchak*

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

There were no procedural or jurisdictional matters presented.

Property Description:

The subject property, located at 3820 Manchester Road SE, is in the Manchester Industrial Subdivision. The site area is 0.39 acres and the improvement consists of a multi-bay warehouse which was constructed in 1973. The warehouse is classed as a "B" building which covers 56.1% of the site, has a rentable area of 17,800 square feet, and an assessment of \$1,870,000.

Issues:

1. The income stream of the subject property does not support the assessment,
2. Equity comparables do not support the assessment, and
3. Sales comparables do not support the assessment.

Complainant's Requested Value: \$1,290,000

Issue #1: Income Approach
Position of Complainant

In support of their request for a lower assessment the Complainant presented over 75 rents of industrial warehouses from the Central Region of the City. It is their submission that the median of these rents is \$9.50 (C-1, page 18) and by applying this value of \$9.50 per square foot in their Pro-Forma (C-1, page 19), the Complainant arrives at a requested assessment value of \$1,331,188.

Position of Respondent

The Respondent did not present any direct evidence as regards the use of an income approach to arrive at the assessment value.

Findings and Decision of Board

The Board finds that the median value per square foot derived from the Complainant's list of *rents* cannot be relied upon to support their requested value in the subject property. In particular, the Board finds that the Complainant failed to provide sufficient information in the

rents list through which the Board might be able to make a valid judgement as to their applicability in the present circumstance. As a result, little weight is placed upon the use of \$9.50 as being the *typical value* to be applied to industrial warehouses in this quadrant of the City and to the income stream of the subject property.

Issue #2: Equity Comparables

Position of Complainant

The Complainant placed into evidence twelve equity comparables (C-1, page 20) which, on average, reflect an assessment of \$168 per square foot while the subject is assessed at \$158 per square foot. In order to support a rate lower than \$158 per square foot, the Complainant submitted that several of the comparables required an upward adjustment while others required a downward adjustment to make the variables within the comparables equal to the variables in the subject property. As a result of these suggested adjustments, the Complainant arrived at an indicated rate of \$110 per square foot, leading to a requested assessment of \$1,290,000.

Position of Respondent

To support the assessment, the Respondent presented seven equity comparables taken from the same sector of the City as the subject property. According to the Respondent, these comparables exhibit similar characteristics and, on average, reflect an assessment value of \$162 per square foot.

Findings and Decision of Board

As regards the Complainant's equity comparables, the Board finds that the *average value* per square foot derived from these comparables *does* support the current assessment. As for the Complainant's submission that the equity comparable variables require adjustments, the Board finds that too little information was provided as to how these adjustments should be applied. In other words, in instances where the Complainant suggested upward or downward adjustments, these adjustments were not supported by way of direct and specific evidence. As a result, the Board places little weight upon the methodology used by the Complainant through which numerous adjustments to equity comparables are made in order to justify a reduction in the assessment of the subject property.

As for the equity comparables presented by the Respondent, the Board finds that these do exhibit similar characteristics to the subject property and support the assessment of the subject property.

Issue #3: Sales Comparables

Position of Complainant

The Complainant presented twelve sales comparables (C-1, page 21), eight of which are located in the same region of the City as is the subject property while four are located in Foothills and Greenview. The average time-adjusted value for sales in the first grouping of eight is in excess of \$191 and \$131 per square foot for the second grouping of four sales.

Since several elements within the sales comparables differ from the subject property, the Complainant invoked several upward and downward adjustments (C-1, page 21) to the

comparables and arrived at a value of \$115 per square foot and a requested assessment value of \$1,330,000.

In way of summary and argument, the Complainant presented four recent CARB decisions in support of their request for a reduced assessment (C-1, pages 23 – 43).

Position of Respondent

In support of the assessment, the Respondent presented eight sales comparables (R-1, page 44) and identified the sale at 414 – 36 Avenue SE as exhibiting characteristics similar to those of the subject property and being the *best comparable*. The time-adjusted sales value per square foot for this comparable property is \$180, while the median for all eight comparables is \$194 per square foot.

Findings and Decision of Board

As regards the Complainant's sales comparables, the Board finds that the first group of eight sales which occurred in the Highfield and Manchester subdivisions do support the assessment while the second grouping of four sales taken from the Foothills Subdivision come from a different subdivision and, therefore, cannot be relied upon to be a fair indication of market value for the subject property located in the Manchester Subdivision.

As for the argument that recent CARB decisions support the position of the Complainant, the Board finds that the particulars in these CARB decisions differ from those evident in the present complaint.

In examining the sales comparables presented by the Respondent, the Board finds that the eight sales comparables exhibit similar characteristics to that of the subject property in terms of building area, year of construction, and parcel size. In conclusion, the Board finds that the median value derived from these sales does support the value of \$158.67 per square foot utilized by the Respondent to arrive at the assessment amount.

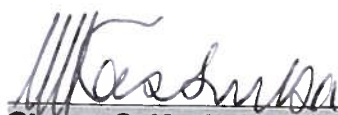
Board's Decision:

It is the decision of the Board to confirm the assessment of the subject property for 2010 at \$1,870,000.

Reasons:

The Board is persuaded by the equity and sales comparables presented by the Respondent.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF OCTOBER, 2010.



Steven C. Kashuba
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.*