

**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: 097006191**

**LOCATION ADDRESS: 7120 Barlow Trail SE**

**HEARING NUMBER: 59369**

**ASSESSMENT: \$15,240,000**

This complaint was heard on 1<sup>st</sup> 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 7120 Barlow Trail SE, is a multi-building industrial warehouse which sits on 10.11 acres of land. The footprint of each of the three buildings is 222,570 square feet, 5,400 square feet, and 5,400 square feet, respectively. Constructed in 1978, the site coverage is 52.98%, and the finish in building #1 is nil, 47% in building #2, and 12% in building #3. The assessment in building #1 is \$60 per square foot, \$176.69 in building #2, and \$173.25 in building #3, for a total assessment of \$15,240,000.

**Issues:**

1. The rent roll of the subject property does not support the assessment, and
2. Equity comparables do not support the assessment.

**Complainant's Requested Value:** \$12,300,000

**Issue #1: Income Approach**  
**Position of Complainant**

In support of their request for a reduction in the assessment, the Complainant presented *rent rolls* for Building #1 (222,570 square feet), wherein the median is \$4.65 per square foot, and *rent rolls* for the other two buildings wherein the median is \$11.75 per square foot (C-1, page 9). The rent rolls are presented in C-1, pages 10 -13.

In response to a question, the Complainant pointed out that in their Pro-Forma, the Respondent used rent rates of \$5.05, \$14.87, and \$14.58 respectively for the three buildings in deriving the assessment value (C-1, page 8).

**Position of Respondent**

The Respondent did not present any direct evidence as regards the income approach to market value. However, in their Pro-Forma, the Respondent, as noted earlier, used a rate of \$5.05 for Building #1, \$14.87 for Building #2, and \$14.58 per square foot for Building #3 to arrive at the assessment value.

### **Findings and Decision of Board**

The Board finds that although the Complainant did provide the rent roll for the subject property, evidence by way of rent rates for comparable properties was not provided. As a result, the Board places little weight on this evidence in that the subject's rent rolls do not necessarily reflect the typical rents for similar industrial warehouses in this sector of the City.

### **Issue #2: Equity Comparables**

#### **Position of Complainant**

For equity comparables, the Complainant presented three industrial properties in the same sector of the City (C-1, page 15) and which reflect values of \$59.98, \$60.53, and \$59.99 respectively per square foot, while the subject is assessed at \$65.30 per square foot. It is the request of the Complainant to apply a rate of \$60 per square foot for the subject property.

By way of summary and argument, the Complainant presented four recent CARB decisions in support of their request.

#### **Position of Respondent**

In support of the assessment the Respondent presented fifty industrial warehouse equity comparables (R-1, pages 25 – 32) for large warehouses in the City. In addition, the Respondent presented three equity comparables which exhibit characteristics similar to that of the subject property (R-1, page 33), and are assessed at \$61, \$60, and \$60 per square foot while the subject is assessed at \$60 per square foot.

As for equity comparables for the two smaller buildings, the Respondent presented three comparables (R-1, page 34) wherein the rates per square foot are \$216, \$165, and \$163 while the two subject properties are assessed at \$177 and \$173, respectively, per square foot (R-1, page 34).

### **Findings and Decision of Board**

In reference to the evidence presented by the Complainant, the Board finds that for Building #1, 222,570 square feet, the equity comparables presented by the Complainant actually support this amount.

However, the Board finds that a rate of \$60 cannot be supported for Buildings #2, and #3 in that these buildings are only 5,400 square feet in area while the equity comparables presented by the Complainant are in the 200,000 square foot range.

As regards Summary and Argument, the Board places little weight upon earlier CARB decisions as the particulars in these complaints are at variance with the particulars of this complaint.

As for the evidence of the Respondent, the Board finds that the equity comparables for the two groupings of buildings, over 100,000 square feet and the smaller buildings of less than

10,000 square feet, is very compelling and does support the assessment of the subject property.

The Board notes that since the Respondent determines the market value of each building on its own merits, it appears logical to defend the request for a lower assessment upon the same principles. In this case, the Complainant presented the argument that the rentable space in all three buildings should be considered as one unit. As a result of the disparity in the size of each building, the Board finds that the buildings should be treated as separate entities.

In addition to the equity comparables, the Respondent presented nine sales comparables of nine industrial warehouses (R-1, page 24). The Board finds that these sales comparables exhibit characteristics similar to the subject property and support the assessment.

**Board's Decision:**

It is the decision of the Board to confirm the assessment of the subject property for 2010 at \$15,240,000.

**Reasons:**

The Board is persuaded by the sales and equity 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.*