

**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 Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L.R. Loven, PRESIDING OFFICER

I. Fraser, MEMBER

R. Glenn, MEMBER

This is a complaint to the Calgary Combined 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: 009023607

LOCATION ADDRESS: 7912 10 Street N.E.

HEARING NUMBER: 56314

ASSESSMENT: \$19,900,000

This complaint was heard on the 13th day of October, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- R. Worthington, representing Altus Group Limited, on behalf of Investors Group Trust Co. Ltd.
c/o Matrix Real Estate Services

Appeared on behalf of the Respondent:

- M. Berzins, representing the City of Calgary

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

Both the Respondent and the Complainant confirmed to the Board that they had no procedural or jurisdictional matters to be raised.

Property Description:

The subject property consists of three buildings, one 107,861 square foot, a second 33,263 square foot and a third 40,125 square foot, the first with 19% finish, on 13.15 acres of land, located in the Deerfoot Business Centre, zoned Industrial – General (I-G). The assessment is \$103.00, \$121.03 and \$117.15 per square foot for the three buildings respectively for a total assessment of \$19,901,039.

Issues:

1. The aggregate assessment should be \$90.86 per square foot based on:
 - a. Equity; and,
 - b. Market Value; and,
2. Valuation method is flawed.

Complainant's Requested Value: \$16,460,000, revised in the hearing to \$18,660,000.

Board's Findings in Respect of Each Matter or Issue:

Issue 1a: Equity

The Complainant provided a table containing five equity comparables, all single building properties single tenanted warehouses and located in the NE quadrant.

The Respondent provided two tables of equity comparables: the first for smaller buildings containing seven equity comparables, two multiple building properties, three multi-tenanted and four single tenanted warehouses, all located in the NE quadrant; and the second, for larger building containing seven equity comparables, all single building properties, five located in the SE, five multi-tenanted, and all zoned Industrial – General (I-G).

The variance of the Complainant's and Respondent's characteristics from the subject property is

summarized below.

Characteristic	Complainant Min	Respondent Min	Subject	Complainant Max	Respondent Max	Complainant Median
Construction (year)	1997	1999 1992	2000	2001	2007 2006	
Site Coverage (%)	41	32 31	32	45	41 37	42
Finish (%)	0	0 16	19	15	85 5	
Parcel Size (Acres)	5.39	5.42 1.89	13.15	9.65	9.04 5.08	
Building Area (Sq.Ft)	110,760	92805 29,145	107,861 33,263 <u>40,125</u> 181,249	170,960	111,008 44,623	151,510
Rate (\$/ Sq.Ft)	78.44	103 115	103.00 121.03 <u>117.15</u> 109.00	95.92	114 134	90.86

The Complainant calculated the assessment based on a rate of \$90.86 per square foot to request an assessed value of \$16,460,000, revised in the hearing to \$103 per square foot, \$18,660,000.

Based on its consideration to the foregoing evidence and argument, the Board finds that the minimum values of the Respondent's comparables, on four out of six characteristics, varied less from those of the subject; and the maximum value of the Complainant's comparables, on three of five characteristics (excluding rate), varied less from those of the subject; therefore the subject property may have been equitably assessed at the combined rate of \$109 per square foot,

Issue 1b: Market Value

The Complainant submitted that there were no comparable sales.

The Respondent submitted three tables of industrial sales comparables; the first for smaller buildings containing seven single building comparables all located in the NE quadrant, five of multi-tenanted; the second for larger buildings, containing five single comparables, allocated in the NE quadrant, three multi-tenanted; and a third table, for the combined area of the three buildings, containing one single, one tenanted building comparable located in the SE quadrant.

In rebuttal the Complainant provided one sales comparable, noting the comparable property is a telecommunications building and the sale was vendor financed. The Board notes that this sales comparable is the same sale as submitted by the Respondent for the combined area of the three buildings on the subject property.

The variance of the Complainant's sales comparable and the Respondent's sales comparables from the subject properties on each characteristic is summarized below.

Characteristic	Complainant Min	Respondent Min	Subject	Complainant Max	Respondent Max	Respondent Median
Construction (year)	1990 <u>1980</u> 1998		2000		2005 <u>2007</u>	
Site Coverage (%)	26.41 <u>23.57</u> 26.76	1998	32		41.33 <u>46.34</u> xx xx	
Finish (%)	0 <u>14</u> 5	—	19		32 <u>52</u> xx	
Parcel Size (Acres)	3.56 <u>1.38</u>		13.15		9.65 <u>4.31</u> 14.01	
Building Area (Sq.Ft)	64,113 27,785		107,861 33,263 <u>40,125</u>		119,551 <u>46,240</u> xx,xxx	151,510
Time Adjusted (\$/ Sq.Ft)	167,560 94 114 <u>xxx</u>	158,617	181,249 103.00 121.03 <u>117.15</u> 109.00	126*	135 <u>149</u> 114	120 <u>119</u> xxx

*not time adjusted

The Board notes that for the sales comparable presented by both the Complainant and the Respondent, according to the RealNet Industrial Transaction Summary presented by the Complainant, building size is given as 158,617 square feet at \$126 per square foot, whereas on the Assessment Summary Report, also submitted by the Complainant, the area of the building is 167,560. The respondent used the 167,500 square foot building area to determine a time adjusted sale price of \$114 per square foot.

Based on its consideration of the foregoing evidence and argument, the Board finds that the sales comparable provided by the Complainant and the sales comparables provided the Respondent both support the combined assessed rate for the subject property of \$109 per square foot.

Issue 2: Valuation Method

The Complainant referenced Calgary Assessment Review Board decisions: *ARB 0756/2010-P*, regarding the treatment of multiple building properties and the use of the Income Approach to value where there is a lack of comparable sales; and *ARB0758/2010-P*, regarding the assessment of multiple building properties as a single building.

In rebuttal the Complainant referenced three Calgary Assessment Review Board decisions regarding the valuation and assessment of multiple building properties as a single building, *CARB1455/2010-P*, *CARB 1442/2010-P*, and *CARB 1439/2010-P*.

Regardless of the individual assessment rates for each building on the subject property, the Board finds that it is able to rely on the combined assessment rate for the subject property.

Summary

The only issues argued by the Complainant were to correct the assessed rate to \$103 per square foot, and assess the property as having a single building.

The Board finds that the Calgary Assessment Review Board decisions referenced by the Complainant, regarding assessing multiple building properties as having one building, may be for properties that have buildings with similar characteristics. Regarding the subject property, the Board was not provided with sufficient evidence to determine the similarity with respect any of the characteristics used to determine the assessed rate that could be used to support a reduction in the assessment.

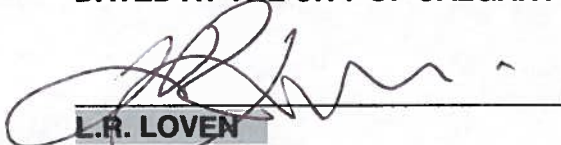
Given sales comparable provided by both the Complainant and Respondent is the most comparable in all characteristics, excepting perhaps per cent finish, tenancy and other non-assessed attributes such as cabling, then the potential market value of the subject multiple building property may be less than that of the same three buildings on separate equivalent properties, but greater than that of a single aggregated identical building on an equivalent property; however, the assessed aggregate rate of the subject property is \$109 per square foot, less than the time adjusted sale price of the \$114 per square foot comparable.

The subject property appears to have been assessed fairly with respect to the sales and equity comparables provided.

Board's Decision:

For the reasons set forth above, the assessment of the subject property is hereby confirmed as follows: \$19,900,000.

DATED AT THE CITY OF CALGARY THIS 17 DAY OF NOVEMBER 2010.


L.R. LOVEN
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.*