

**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 Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

H. Kim, PRESIDING OFFICER

J. Massey, MEMBER

P. Charuk, 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:	101033702
LOCATION ADDRESS:	323 53 Ave SE
HEARING NUMBER:	58879
ASSESSMENT:	\$11,310,000

This complaint was heard on the 13th day of October, 2010 at the office of the Assessment Review Board located on the 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Property Description:

The subject property is a 137,486 SF single tenant warehouse in the Manchester Industrial district in the Central zone, on a 6.28 acre parcel designated Industrial-Heavy (I-H). It has a 129,740 SF footprint for site coverage of 47.42%. It was constructed in 1975 and has 16% finished area. There are a number of large cranes on the property which are considered machinery and equipment and are not assessed. The subject is assessed on the sales comparable approach at \$82 per sq. ft.

Issues:

The Complainant identified a number of issues on the Complaint form; however at the hearing the two issues argued and considered were:

1. Equity comparables indicate the subject assessment is overstated.
2. The sales comparables indicate the subject assessment is overstated.

Complainant's Requested Value: \$9,390,000 revised to \$10,310,000 at the hearing

Board's Decision in Respect of Each Matter or Issue:**Issue 1 – Equity****Complainant's position:**

The Complainant presented 11 equity comparables in the Central zone (Manchester, Highfield and Burns Industrial) with net rentable areas of 102,061 to 270,592 SF on parcels of 4.82 to 12.52 acres built between 1960 and 1977 with percent finish between 1% and 36%. All are zoned Industrial General (I-G) which the Complainant contends is superior to I-H because it allows more uses. The assessments of the comparables range from \$51 to \$91/SF. After adjustments, the equity comparables support a rate of \$75/SF for the subject, which is the requested amount.

Respondent's position:

The Respondent disputed the Complainant's position that I-G was superior to I-H stating that there is no evidence that I-G allows more uses nor that I-H would be less valuable for that reason. Six equity comparables were presented, of warehouses with net rentable areas between 102,061 and 138,757 SF. The Respondent's equity comparables range from \$84 to \$91/SF and support the assessment.

Decision and Reasons:

The Complainant's equity comparables covered a large range of sizes, but the two that were closest in size to the subject have assessments of \$84 and \$87/SF. They have lower site coverage but the Board is of the opinion that the higher assessment per SF adjusts for the difference. Board finds that the subject's assessment at \$82/SF is equitable with other similar

properties.

Issue 2 – Value based on sales of comparable properties

Complainant's position:

The Complainant presented six sales of comparable properties in the Central, Southeast and Northeast zones that sold between July 2007 and August 2008. The properties were between 109,800 and 199,772 SF on 5.41 to 14.01 acres for site coverage of 26.4 to 46.2% built between 1973 and 2008 with 0 to 32% finished area. The time adjusted sale prices (TASP) of the comparables were \$71 to \$135/SF and support a value of \$77/SF for the subject.

Respondent's position:

The Respondent also presented six sales of which three were also in the Complainant's evidence. The sales occurred between July 2006 and May 2009 in the Central, Southeast and Northeast zones with a TASP/SF of \$71 to \$147/SF. The median is \$97/SF and supports the assessment.

Decision and Reasons:

The Board considered the sales and did not find the indicated value to be lower than the \$82/SF assessment. The only sale presented by the Complainant that was less than the assessment was in Foothills, agreed to be an inferior location, with substantially less finish (2% compared to 16% for the subject) and 24' wall height compared to 36' for the subject. The other sales were at higher rates than \$82/SF, and while they were acknowledged to be superior properties the Board could not determine from the information provided whether a greater reduction than the rate applied in the assessment was warranted. Accordingly, the Board found there was insufficient evidence to vary the assessment.

Board's Decision:

The complaint is denied and the assessment confirmed at \$11,310,000.

DATED AT THE CITY OF CALGARY THIS 19 DAY OF October 2010.



H. Kim
Presiding Officer

APPENDIX "A"**DOCUMENTS RECEIVED AND CONSIDERED BY THE BOARD:**

NO.	ITEM
C1	Complainant Forms
C2	Complainant's submission for each property
R1	Respondent's submission

APPENDIX 'B'**ORAL REPRESENTATIONS**

PERSON APPEARING	CAPACITY
Christine van Staden	Altus Group Limited, Complainant
Jarrett Young	Assessor, City of Calgary, Respondent

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.*