

**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:

<b>ROLL NUMBER:</b>	<b>101035707</b>
<b>LOCATION ADDRESS:</b>	<b>5724 1 St SW</b>
<b>HEARING NUMBER:</b>	<b>59774</b>
<b>ASSESSMENT:</b>	<b>\$850,500</b>

This complaint was heard on the 13<sup>th</sup> day of October, 2010 at the office of the Assessment Review Board located at the 4<sup>th</sup> Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3. It was heard in a group of eight hearings relating to warehouses with similar evidence and argument. The decision on one group of four warehouses was issued as CARB 1834/2010-P and where applicable that decision is referenced to avoid repetition.

**Property Descriptions:**

The subject property is a 3,140 sq. ft. single tenant warehouse in the Manchester Industrial district in the central zone, designated Industrial-General (I-G). It has a site area of 0.71 acres and site coverage of 10.15%. It was constructed in 1966 and has 16% finished area. It is assessed on the sales comparable approach at \$270 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. The income approach indicates the subject assessment is overstated.
2. The sales comparables indicate the subject assessment is overstated.

**Complainant's Requested Value:** \$599,000 revised to \$455,500 at the hearing

**Board's Decision in Respect of Each Matter or Issue:****Issue 1 – Value based on Income Approach**

The Complainant and Respondent presented the same evidence and argument with respect to this issue as that presented in hearings earlier in the day. The Complainant stated that in order to achieve the assessed value, the subject property would have to rent at \$22.81/SF which is not achievable. The value based on income would be \$354,231.

**Decision and Reasons:**

The Board finds that the Complainant's income approach does not yield values that are a reasonable approximation of market value, for the same reasons as detailed in CARB 1834/2010-P. Further, the subject property has atypically low site coverage and the income approach would not capture the value of the excess land.

**Issue 2 – Value based on sales of comparable properties****Complainant's position:**

The Complainant agreed that the fenced yard had utility that might not be reflected in typical rental rates. The sales comparison approach would provide a better indication of market value, and the Complainant presented five sales of comparable properties in the Central zone (Manchester and Alyth/Bonnybrook) of warehouses in a size range similar to the subject:

	Address	Net rentable area	YOC	Finish	Lot size (ac)	Site coverage	2010 Asmt	Sale date	Sale price	City TASP	TASP/ SF
	Subject - 5724 1 St SW	3,140	1966	16%	0.71	10.2%	850,500				
1	839 24 Ave SE	3,600	1950	100%	0.83	9.9%	980,500	19-Mar-07	500,000	510,731	142
2	5501 1A St SW	4,325	1967	67%	0.14	51.6%	890,000	09-Jul-07	650,000	612,055	142
3	3829 15A St SE	4,081	1977	52%	0.24	48.8%	856,500	06-Sep-07	665,000	626,179	153
4	3644 Manchester Road SE	4,840	1957	31%	0.24	39.0%	981,000	07-Jan-08	850,000	800,379	165
5	5321 1A St SW	3,785	1958	40%	0.22	40.4%	694,500	08-Jan-09	625,000	609,530	161

The sales indicate a value of \$145/SF which would result in an assessment of \$455,300.

**Respondent's position:**

The Respondent stated the Complainant's sales had 40-50% site coverage and did not factor in the value of the excess land. Four sales were presented which occurred between October 2006 and August 2008 in the Central and Southeast zones with a TASP/SF of \$255 to \$361/SF. The median is \$332/SF and supports the assessment.

**Decision and Reasons:**

The Board considered the sales and determined that the Respondent's sales were too dissimilar to the subject to be of assistance. The Complainant's sales #1 and 3 were some distance away and not considered good comparables. Sales #2, 4 and 5 were the best comparables and indicated a value in the range of \$160/SF for a building of this size on a 0.2 acre parcel, or \$500,000. There was no evidence led as to the value of the additional 0.5 acres of land, but it is the opinion of the Board that \$350,500 is reasonable.

**Board's Decision:**

The complaint is denied and the assessment confirmed at \$850,500.

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:**

<b>NO.</b>	<b>ITEM</b>
C1	Complaint Form
C2	Complainant's submission for each property
R1	Respondent's submission

**APPENDIX 'B'****ORAL REPRESENTATIONS**

<b>PERSON APPEARING</b>	<b>CAPACITY</b>
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.*