

**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:	101026102
LOCATION ADDRESS:	5534 1A St SW
HEARING NUMBER:	58953
ASSESSMENT:	\$1,320,000

This complaint was heard on the 13th day of October, 2010 at the office of the Assessment Review Board located at the 4th 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 Description:

The subject property is multiple tenant warehouse in the Manchester Industrial district in the Central zone, on a 0.22 acre parcel designated Industrial-Redevelopment (I-R). It has 7,274 SF rentable area with 45% finish. The building footprint is 5,624 SF for site coverage of 59.94%. It was constructed in 1973 and is assessed on the sales comparable approach at \$182 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: \$864,000 revised to \$820,500 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 \$15.28/SF which is not achievable. The value based on income would be \$820,598 which is the requested value.

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.

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

The Complainant presented four sales of comparable properties in the Central zone (Manchester, Alyth/Bonnybrook and Burns Industrial) of warehouses between 6,538 and 8,160 SF net rentable area, built 1970 to 1986, that sold between September 2006 and June 2008. They had 8% to 21% finish, site coverage of 28.2 to 65.1% with time adjusted sale prices (TASPs) of \$115/SF to \$196/SF. Adjustments for differences in tenancy, age, finish, site coverage and wall height were applied to the sale prices, and the indicated value of the subject is \$158/SF which would result in a value of \$1,140,000.

Respondent's position:

The Respondent presented five sales (two of which were also used by the Complainant) that occurred between June 2007 and May 2008 in the Central zone (Manchester, Alyth/Bonnybrook and Highfield) of warehouses between 6,538 and 11,022 SF net rentable area, built 1951 to 1980. They had 8% to 43% finish, site coverage of 34.0 to 65.1% with a TASP/SF of \$150 to \$192/SF. The median is \$180/SF and supports the assessment.

Decision and Reasons:

The subject has atypically high site coverage combined with high level of finish. The sales were all dissimilar: the sales with high site coverage had 8% to 13% finish compared to 45% for the subject, while one of the Respondent's sales had 43% finish but only 35.13% site coverage. The Board finds the most comparable sale was the one at 414 36 Ave SE, used in both parties' submissions. It sold in May 2008, is 12% larger with 6% lower site coverage but had only 8% finish. It sold for a TASP of \$180/SF and has a 2010 assessment to sales ratio (ASR) of 98%. On balance the Board finds the sales support the \$182/SF assessment.

Board's Decision:

The complaint is denied and the assessment confirmed at \$1,320,000.

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	Complaint Form
C2	Complainant's submission
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.*