

**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

P. Grace, MEMBER

J. Massey, 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: 048047005

LOCATION ADDRESS: 1820 – 30 Avenue NE

HEARING NUMBER: 59784

ASSESSMENT: \$8,720,000

This complaint was heard on 26th 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:

- *G. Kerslake*

Appeared on behalf of the Respondent:

- *R. Powell*

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 1820 – 30 Avenue NE, is a two-building multi-tenant industrial property constructed in 1981 in the South Airways Subdivision. The building is a single storey structure with 97,030 square feet of rentable space. Building #1 has an area of 43,750 square feet of rentable space while Building #2 has 53,280 square feet of rentable space. The current assessment is \$8,720,000.

Issues:

1. Equity comparables support a reduction in the assessment amount.

Complainant's Requested Value: \$7,560,000.

Complainant's Position:

In support of their request for a reduction in the assessment amount, the Complainant presented four equity comparables (C-1, page 13). They stressed that the total rentable area of the two subject buildings is 97,030 square feet while the comparables range in rentable area from 83,645 square feet to 110,944 square feet, making these acceptable comparables. As well, the Complainant submitted that the year of construction, finish, lot size, and site coverage were all similar to that of the subject property. From this information, the Complainant requested that a value of \$78 per square foot be applied to the total area of the subject property through which a value of \$7,560,000 is derived.

Respondent's Position:

In support of the current assessment, the Respondent presented a total of 12 equity comparables. The first grouping (R-1, page 17) is applied to Building #1 and reflects characteristics similar to that found in this particular building. The second group of equity comparables (R-1, page 18) is applied to Building #2 which has a rentable area of 53,280 square feet. The Respondent concluded their defence of the current assessment by asking the Board to first consider the two methodologies that can be used to arrive at a fair and correct assessment value. If the Respondent's methodology is accepted wherein one seeks equity

comparables that mirror the rentable area of each separate building, the Board must then rule in favour of the Respondent. On the other hand, if the Board accepts the Complainant's argument that the two subject buildings should be considered as one total rentable unit with the commensurate area, one must then apply like equity comparables.

Findings and Decision of Board as Regards Equity Issue:

The Board finds in favour of the Complainant and accepts that the two subject buildings should be treated as one unit and, as a result, the equity comparables should reflect this measurement. This being the case, the Board accepts the Complainant's equity comparables which reflect the total rentable area of the subject property. Having accepted this methodology of determining market value, the Board applies the Complainant's submission that the median value of their equity comparables of \$78 per square foot should be applied to the total area of the subject property through which a fair and accurate assessment value is derived.

Board's Decision:

It is the decision of the Board to reduce the assessment of the subject property for 2010 from \$8,720,000 to \$7,560,000.

Reasons:

The Board places considerable weight upon the Complainant's argument that the marketplace values property held under one title and one Roll Number in its entirety as opposed to valuing each building as a unique and separate entity and then adding these two values to arrive at the market value for the said property. As a corollary to this argument, the Board places less weight upon the Respondent's contention that the market value of the subject property should be determined on the basis of the market value of each building. As an extension of these two opposing points of view, the Board accepts the position of the Complainant that equity comparables must then reflect the total area of the two buildings within the subject property as opposed to using equity comparables to reflect the area of each building.

DATED AT THE CITY OF CALGARY THIS 3 DAY OF November 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.*