

**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, Section 460(4).

between:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L. Wood, PRESIDING OFFICER

I. Zacharopoulos, MEMBER

D. Steele, 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: 090071309

LOCATION ADDRESS: 3851 MANCHESTER ROAD SE

HEARING NUMBER: 56372

ASSESSMENT: \$3,280,000

This complaint was heard on 5th day of October, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- Ms. C. Van Staden

Appeared on behalf of the Respondent:

- Ms. M. Lau
- Mr. J. Young

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

There were no procedural or jurisdictional matters raised by the parties during the hearing.

Property Description:

The subject property is a multi tenant warehouse situated on a 1.47 acre site in North Manchester. The building was constructed in 1980, has a rentable building area of 30,660 sq ft and finish of 22%. The land use designation is I-R, Industrial Redevelopment. The site coverage ratio is 47.34%.

Issues: (as indicated on the complaint form)

1. The aggregate assessment per square foot applied to the subject property does not reflect market value for assessment purposes when using the direct sales comparison approach and should be \$92 psf.
2. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$95 psf.

Complainant's Requested Value: \$2,820,000

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

The Board notes that there were several statements on the appendix to the complaint form; however, it will only address those issues that were raised at the hearing. The values, as indicated on the complaint form, may have changed at the time of hearing.

1. **The aggregate assessment per square foot applied to the subject property does not reflect market value for assessment purposes when using the direct sales comparison approach and should be \$92 psf.**

The Complainant submitted seven sales comparables that ranged from \$82- \$119 psf (time adjusted) in support of her request that the subject property should be assessed at \$92 psf (Exhibit C1 page 20). The sales comparables are comprised of both single and multi tenant warehouses located in the Central, NE and SE quadrants. The warehouses were built in 1957- 1998, with net rentable areas of 25,344- 34,470 sq ft and site coverage of 26.6%- 66.9%. The Complainant indicated that the comparable located at 4344 12 Street SE is most similar to the subject property. It

sold in September 2007 for \$3,390,517 (\$113 psf) and has a time adjusted sale price of \$3,192,588 (\$106 psf). The Complainant indicated that it would require a further downward adjustment.

The Respondent submitted six sales comparables that ranged from \$106- \$120 psf (time adjusted) in support of the assessment of the subject property at \$107.25 psf (Exhibit R1 page 54). He excluded the one located at 1603 24 Avenue SE that was built in 1904. The sales comparables are comprised of both single and multi tenant warehouses located in the Central quadrant. The warehouses were built in 1967- 1974, with net rentable areas of 24,704- 50,170 sq ft and site coverage of 26.82%- 44.40%. He also included one of the Complainant's comparables in his analysis, 4344 12 Street SE, which he agreed is the most similar to the subject property and supports its' assessment.

The Respondent also submitted the Assessment Request for Information ("ARFI") dated March 8, 2010 for the subject property (Exhibit R1 pages 56- 59). There are seven tenants with leases that commenced in 2007-2009 for bays between 2,620- 7,988 sq ft and rates of \$7.25- \$11.50 psf for a median of \$8.75 psf. The Respondent performed a similar test that the Complainant has presented to the Board to show how much of a rental rate a property would have to achieve in order to support its current assessment (Exhibit R1 page 55). He indicated that the subject property would have to generate a rental rate of \$8.56 psf with an 8% capitalization rate and 5% vacancy rate in order to be assessed at \$3,280,000. In this instance, the subject property is exceeding that rate which further supports the Respondent's position that the assessment is correct.

The Board placed less weight on the Complainant's market analysis because she failed to explain the adjustments that were required. The Board finds the Respondent's sales comparables establish a range and the subject property is within that range, thereby confirming the assessment. The Board also placed weight on the rental information for the subject property as provided by the Respondent, which further supports the current assessment.

2. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$95 psf.

The Complainant submitted six equity comparables that ranged from \$96- \$136 psf in support of her request that the subject property should be assessed at \$95 psf (Exhibit C1 page 21). The equity comparables are comprised of both single and multi tenant warehouses located in the Central quadrant. The warehouses were built in 1955- 1990, with net rentable areas of 29,008- 31,294 sq ft and site coverage of 31.12%- 55.45%. The Complainant indicated that the comparables located at 3308 11 Street SE and 7110 Fisher Road SE are most similar to the subject property, but would require downward adjustments from their current assessed rates of \$105 and \$96 psf, respectively.

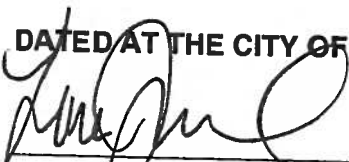
The Respondent submitted seven equity comparables that ranged from \$104- \$113 psf in support of the assessment of the subject property at \$107 psf (Exhibit R1 page 53). The equity comparables are multi tenant warehouses located in the Central quadrant. The warehouses were built in 1965- 1978, with net rentable areas of 27,175- 33,500 sq ft and site coverage of 41%- 52%.

The Board placed less weight on the Complainant's equity analysis because she failed to explain the adjustments that were required. The Board finds the Respondent's equity comparables establish a range and the subject property is within that range, thereby, confirming the assessment.

Board's Decision:

The decision of the Board is to confirm the 2010 assessment for the subject property at \$3,280,000.

DATED AT THE CITY OF CALGARY THIS 25 DAY OF NOVEMBER 2010.



Lana J. Wood
Presiding Officer

APPENDIX A**DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:**

NO.	ITEM
Exhibit C1	Evidence Submission of the Complainant
Exhibit C2	Altus Binder
Exhibit C3	Assessment Review Board decisions & legislation excerpts
Exhibit R1	City of Calgary's Assessment Brief

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.*