

**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, Revised Statutes of Alberta 2000 (the Act).

between:

***Alco Holdings Ltd. (as represented by Colliers International Realty Advisors),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***J. Acker, PRESIDING OFFICER
R. Kodak, MEMBER
P. McKenna, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2012 Assessment Roll as follows:

ROLL NUMBER:	031003502
LOCATION ADDRESS:	3639 27 Street NE
HEARING NUMBER:	66465
ASSESSMENT:	\$ 2,470,000

This complaint was heard on 13th day of July, 2012 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *Chris Hartley, Colliers International Retail Advisors Inc.*

Appeared on behalf of the Respondent:

- *M. Hartmann*
- *George Bell*

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

1. No procedural or jurisdictional matters were raised by the parties.

Property Description:

2. The subject property is a 1.0 acre parcel improved with a 16,170 square foot multi-tenant industrial warehouse constructed in 1979. The site coverage is 23.08% resulting in an excess land assessment on .227 acres. The subject parcel is zoned I- G (General Industrial).
3. The 16,170 sq. ft. building exhibits a 78% office/retail finish

Issues:

4. In comparison with other similar properties, the subject assessment is inequitable.

Complainant's Requested Value: \$ 1,770,000 (\$110/sq. ft.)

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

5. In support of the Complainant's request for an assessed value of \$110/sq. ft., the Complainant submitted four time adjusted sales in the NE quadrant of the City of Calgary which indicated values of \$91 - \$131/sq. ft. as indicative of market values in this area. The Complainant suggested that the property at 2801 18 Street NE is the most similar to the subject property.
6. In support of his requested value, the Complainant also performed an income approach to value for the subject property. Using a rental rate of \$9.50/sq. ft (supported by the subject property rent roll), a 5% vacancy allowance, a 2% allowance for non-recoverable expenses and a 7.75% CAP rate derived from four recent sales; the complainant demonstrated a 110.74/sq. ft. value for the subject property.
7. The Respondent provided four sales of comparable properties from both the SE(1 sale) and NE (3 sales) quadrants in the City of Calgary to support the assessed rate of \$152.83/sq. ft. applied to the subject property. These sales supported a value range of \$153.82 - \$166.59/sq. ft.

8. The Board examined all sales of similar properties submitted by both parties and found the Complainant's best comparable to be that at 2801 18 Street NE. This property was built in 1980 (subject 1979), is 1.33 acres in size (subject 1.0), has a 18,065 sq. ft. improvement (subject 16,170 sq. ft.), has a site coverage of 25.5% (subject 23.08%) and an office finish of 64% (subject 78%). This property sold in April 2010 for a time adjusted value of \$110/ sq. ft.


9. In contrast, the Respondent's comparables were all single tenant warehouse properties of similar parcel size and site coverage with ages bracketing the subject's year of construction, but none had office finish comparable to the subject (range 3% - 43%). Since the subject is a multi-tenant warehouse, the Board found little similarity to the subject in this group.

10. The Board was persuaded that the Complainant's sales evidence was more compelling and the additional effort of using an income approach to value was not effectively rebutted by the Respondent. Accordingly, the Board allows the appeal.

Board's Decision:

The complaint is allowed and the assessment is adjusted to \$1,770,000 (\$110/sq. ft.)

DATED AT THE CITY OF CALGARY THIS 20 DAY OF July 2012.

for 
J. Acker
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

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.*