

**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:**

***McGill Holdings Ltd.(as represented by Altus Group Limited ), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***Board Chair, J. Zezulka  
Board Member, J. Rankin  
Board Member, S. Rourke***

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: 033036203**

**LOCATION ADDRESS: 4204 - 12 Street NE**

**HEARING NUMBER: 66816**

**ASSESSMENT: \$3,860,000.00**

This complaint was heard on the 18th day of July, 2012, at the office of the Assessment Review Board located at Floor Number Four, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom Four.

Appeared on behalf of the Complainant:

- *C. Van Staden*

Appeared on behalf of the Respondent:

- *M. Hartmann*
- *J. Young*

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

(1) Although it was not addressed as such, a preliminary issue raised by the Complainant was the fact that the assessed floor area of the building was in error. The City assessed the building as being 39,593 s.f., when in fact, the area should be 37,246 s.f. The Respondent agreed. After a short discussion, the parties agreed that the revised assessment as a result of the floor area revision should be \$3,690,000.00. The Board then proceeded to the balance of the merit hearing.

**Property Description:**

(2) The subject is a multi-tenanted warehouse located in the McCall Industrial area of NE Calgary. After revision, the net rentable area of the building is 37,246 s.f. The year of construction was 1973. The site is a corner parcel on 12 Street and 40 Avenue NE. Site area is 2.36 acres. Site coverage is 36.30 per cent.

**Issues / Appeal Objectives**

(3) The subject is currently being assessed by the sales comparison approach to value. The assessment is based on \$99.30 per s.f. of building .

(4) The Complainant maintains that the current revised assessment is too high, and does not accurately reflect market value. The Complainant also maintains that the current revised assessment is not fair and equitable in relation to similar buildings.

**Complainant's Requested Value:**

(5) \$3,300,000

**Evidence / Argument**

(6) The Complainant submitted three approaches to value i.e; sales comparison, income capitalization, and cost summation. The Complainant also submitted equity comparisons.

(7) The Complainant's sales comparison approach involved five comparables, ranging in size from 35,200 s.f. to 49,703 s.f. Four of the five properties are newer than the subject. Site coverages are more or less similar.

(8) The Complainant's income approach calculations were based on rents contained in the subject's Assessment Request for Information (ARFI) form submitted to the City, an arbitrary 5.0 per cent vacancy rate and a variation of capitalization rates from 7.25 to 7.75 per cent. The results range from \$3,195,947 to \$3,416,357.

(8) The cost calculations presented produce an indicated value of \$2,722, 398. In the Board's opinion, the rate of depreciation applied is too aggressive, and results in a low estimate.

(9) Finally, the Complainant submitted eight equity comparables that reflected assessments ranging from \$99 to \$106 per s.f. of building. At the conclusion of the equity argument, the Complainant states, *"The property record indicates the assessed rate should be \$97 psf. The subject assessment would be \$3,610,000 as a result. This would be more equitable when compared with properties in the subject size range."*

(10) The Respondent presented five sales comparables and eleven equity comparables in support of the assessment. The sales comparables produced a median time adjusted selling price of \$103 per s.f. The equity comparables reflected a median assessment of \$99.00 per s.f., which is equal to the subject's revised assessment.

#### **Board's Decision**

(11) With the exception of the cost calculations, the Complainant's own evidence provides some measure of support to the assessment as revised. The Respondent's evidence was convincing enough to prompt any further reduction in the assessment.

(12) The assessment is reduced to \$3,690,000.00 .

**DATED AT THE CITY OF CALGARY THIS 31 DAY OF July, 2012.**



**Jerry Zezulka**  
**Presiding Officer**

**DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

Decision No. 1141/2012 - P			Roll No. 033036203	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Multi tenant industrial	Market value	N/A	Cost, income, sales