

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

**between:**

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

**and**

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

**before:**

***M. Chilibeck, PRESIDING OFFICER***

***K. Farn, MEMBER***

***P. Charuk, 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 2011 Assessment Roll as follows:

**ROLL NUMBER: 092023506**

**LOCATION ADDRESS: 3825 – 16A ST SE**

**HEARING NUMBER: 64180**

**ASSESSMENT: \$2,120,000**

This complaint was heard on 7th day of July, 2011 at the office of the Assessment Review Board located in Boardroom 2 on Floor Number 4 at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- *R. Worthington*

Appeared on behalf of the Respondent:

- *T. Luchak*

Observer:

- *L. Yakimchuk, MGB Member*

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

Neither party objected to any member of the Board hearing this complaint.

**Property Description:**

The subject is a single tenant industrial warehouse constructed in 1989. It has 14,289 sq. ft. of rentable/footprint area with 9% office finish on a parcel containing 0.85 acres and 56.25% site coverage. The LUG (land use guideline) is IR (Industrial Redevelopment). It is located in the Alyth/Bonnybrook community in the central region in SE Calgary.

The subject is assessed at a rate of \$148 per sq. ft. of building area and determined by the sales comparison method.

**Issues:**

The Complainant identified the matters of the assessment amount and assessment class and several issues on the complaint form. The Complainant advised that the matter of the assessment amount and the following issues would be addressed.

1. The capitalized income method is the most reasonable method to value the subject property.
2. The subject is assessed higher than similar properties in the market region.

**Complainant's Requested Value:** Originally at \$1,190,000  
Revised to \$1,150,000 during the hearing

**Board's Findings in Respect of Each Issue:**

**1. Income Method**

The Board in Decision 1292-2011-P, File 63068 accepted the request from the Complainant and Respondent to carry forward their evidence and argument regarding the income method, cap rate analysis and the Board's decision on this issue to the hearing of this complaint. The Board

quotes the decision on this matter as follows.

*"The Board finds that the Complainant has made their point regarding the income method however; the Board finds the Assessor is not bound by any legislation to use a specific method of valuing property. The assessor is required to assess property at its market value and the Board accepts there are three generally accepted methods of valuing property, one of them being the income method and another being the sales comparison method. It is not the responsibility of the Board to pass judgement as to the method to be used by the assessor. The Board's responsibility is to make a decision whether an assessment is correctly valued at market value or equitably assessed to similar property. In making a decision, the Board will determine each decision based on evidence and argument presented on each complaint. This issue has been decided by several previous Board decisions and the Board is not persuaded to make a decision otherwise."*

The Complainant provided the following in support for the requested assessment.

1. Six market lease rate comparables that range from \$6.50 to \$9.00 per sq. ft. at a median of \$7.00
2. Four business assessment rate comparables that range from \$6.00 to \$6.75 per sq. ft. at a median of \$6.75.
3. The subject's business assessment rate at \$7.25 per sq. ft..

The Complainant asserted that the range of assessment values using the income method, based on business assessment rate and market lease rate is \$1,110,000 to \$1,150,000 or \$77.68 to \$80.48 per sq. ft. respectively.

The Respondent provided two sale comparables at \$192 and \$136 per sq. ft. in support for the assessment at \$149. The Complainant drew the Board's attention to the assessments for these sales at \$160 and \$140 per sq. ft. respectively and identified the assessment to sale ratio at 0.83 and 1.03 respectively. The Board placed little weight on the sale at \$192 due to the date of sale and the ASR and considered the sale at \$136 because of its similarity to the subject.

The Board finds the Complainant's determination of value at \$80 per sq. ft. of building area for the subject to be considerably lower than the sale price per sq. ft. of the Respondent's sale comparables. Neither party provided rental rates for these comparables that are noted as IWS (industrial single tenant) to show the relationship of the rental rate to price per sq. ft. Also the Board notes from the Complainant's Exhibit C3 that the sales price per sq. ft. in the central region are significantly greater than \$80 per sq. ft. The board is not convinced to change the assessment based on the Complainant's income method.

**2. Equity**

The Complainant provided four equity comparables from the central region to support a reduction of the assessment. These comparables range in assessment rate from \$107.80 to \$124.36 per sq. ft. with a median at \$119.35. This rate produces an assessment of \$1,700,000.

The Respondent provided seven equity comparables from the central region with five being in the Bonnybrook district, the same as the subject. The seven comparables range in assessment rate from \$143 to \$202 per sq. ft. and the five comparables range from \$141 to \$202 per sq. ft. The Board finds three of the five comparables similar to the subject with an assessed rate range from \$141 to \$155 per sq. ft. Since these comparables are similar to the subject and the subject's rate falls within the range, the Board is persuaded to confirm the assessment

**Board's Decision:**

The Board's decision is to confirm the assessment of the subject property at \$2,120,000.

**DATED AT THE CITY OF CALGARY THIS 1<sup>th</sup> DAY OF AUGUST 2011.**



**M. Chilibeck  
Presiding Officer**

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant's Disclosure
2. R1	Respondent's Disclosure
3. C3	Complainant's 2011 Rebuttal Evidence

*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.*

*For MGB Administrative Use Only*

<i>Decision No. 1304-2011-P</i>		<i>Roll No. 092023506</i>		
<u><i>Subject</i></u>	<u><i>Type</i></u>	<u><i>Issue</i></u>	<u><i>Detail</i></u>	<u><i>Issue</i></u>
CARB	Warehouse	Single Tenant	Income Approach	Net Market Rent