

**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:

Apollo Export S.A. (as represented by Altus Group Ltd.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

M. Chillibeck, 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: 100007400

LOCATION ADDRESS: 6304 – 6A ST SE

HEARING NUMBER: 64483

ASSESSMENT: \$2,570,000

This complaint was heard on 5th 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:

- *G. Bell*

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

Neither party objected to a member of the Board hearing the complaint.

Property Description:

The subject property comprises of a single tenant warehouse constructed in 1973 with an assessable building area and a footprint area of 22,800 sq ft with 28% office finish on a parcel of land containing 1.41 acres. The site coverage is 37.16% and the LUG (land use guideline) is IG (Industrial General). It is located in the Burns Industrial subdivision of the Central Region of SE Calgary.

The subject property is assessed at \$113 per sq ft of building area. The assessment is determined by the sales comparison method

Issues:

The Complainant identified several issues on the Assessment Review Board Complaint and in the documentary evidence disclosure. The Board summarized the issues as follows:

1. Income method of valuation versus the direct sales comparison of valuation.
2. Comparable Sale of 6204-6A St in December 2009 is best indicator of value.

Complainant's Requested Value: \$1,830,000

Board's findings in Respect of the Issues:

1. Income method of Valuation

The Board in decision 1292-2011-P, file 63068 accepted the request from the Complainant and the Respondent to carry forward their evidence and argument regarding the income method and 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."

2. Comparable Sale in 2009

The comparable, 6204-6A St, sold for \$3,820,000 with a sale date of December 15, 2009 at a rate of \$97.59 per sq ft of building area. This sale comparable has 51% finish and 21.44% site coverage. It is located in close proximity to the subject and is similar to the subject except for the finish and site coverage. When the adjustment is made for the finish and site coverage, the value for the subject is determined to be \$2,570,000.

At the hearing both parties agreed that the comparable sale at 6204-6A St should set the bases for the confirmation of the assessment of the subject.

Based on the forgoing, the Board's decision is to confirm the assessment.

Board's Decision:

The Board's decision is to confirm the assessment for the subject property at \$2,570,000.

DATED AT THE CITY OF CALGARY THIS 12 DAY OF AUGUST 2011.



**M. Chilibeck
Presiding Officer**

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

NO.	ITEM
1. C1	Complainant's Disclosure
2. R2	Respondent's 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.*

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<i>Decision No. 1317-2011-P</i>		<i>Roll No. 100007400</i>		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Warehouse	Multi-Tenant	-Income/sales Approach -Comparable sale price	