

**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:

***Homburg (33) L.P. Management Inc.
(as represented by Altus Group Ltd.), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***L. Wood, PRESIDING OFFICER
D. Pollard, MEMBER
R. Kodak, 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:	091005603
LOCATION ADDRESS:	4124 9 ST SE
HEARING NUMBER:	62782
ASSESSMENT:	\$9,030,000

This complaint was heard on 29 day of July, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *Ms. S. Sweeney- Cooper* *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *Mr. D. Grandbois* *Assessor, City of Calgary*

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 single storey office/warehouse located in Highfield. The building is comprised of 46,976 sq. ft., constructed in 1961 and has a quality rating of A-. It is situated on 2.76 acres of land. The land use designation is I-G, Industrial General.

Issues:

1. Correct the area allocation and assessed base rates as they are too high and inequitable with comparable properties.

Complainant's Requested Value: \$8,350,000

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

1. Correct the area allocation and assessed base rates as they are too high and inequitable with comparable properties.

The Complainant submitted that the area of the subject property (46,976 sq. ft.) should be corrected to reflect office area (39,936 sq. ft.) and storage area (10,040 sq. ft.)(Exhibit C1 pages 16 & 17). The current assessment reflects the total area as office space at a rental rate of \$15.00 psf. The Complainant submitted by properly allocating the space, a rental rate of \$14.00 psf should be applied to the office area and \$8.00 psf for the warehouse area.

The Complainant submitted the Assessment Request for Information ("ARFI") for the subject property (Exhibit C1 pages 22- 24). There are two tenants in the building who have leased 28,856 sq. ft. (\$16.00 psf) and 18,120 sq. ft. (\$14.24 psf) respectively since 2001. The Complainant submitted there is 10,040 sq. ft. that is warehouse space in the 28,856 sq. ft.

The Complainant submitted seven leased office areas in the SE quadrant that commenced in late 2009 and 2010 (Exhibit C1 page 27). The areas ranged between 793 sq. ft. and 12,273 sq. ft. at rates between \$10.00 psf to \$16.00 psf for a weighted average of \$13.99 psf.

The Complainant also submitted the subject property is inequitably assessed in comparison to

similar properties. The Complainant presented an equity chart of 4 office buildings in Highfield that have an assessed rate between \$116 psf to \$130 psf in comparison to the subject property's assessment at \$192 psf (Exhibit C1 page 26).

The Complainant acknowledged that recent Board decisions have confirmed the rate of \$15.00 psf for similar office/warehouse properties.

The Respondent submitted that the subject property has an effective age newer than 1961 based on renovations that had occurred since 2001 (Exhibit R1 page 24). The Respondent also submitted one of the tenants had renewed the lease at a rate of \$14.25 psf for 18,120 sq. ft. in January 2010 (Exhibit R1 page 28). The Respondent acknowledged that the Board had recently confirmed the \$15.00 psf assessed rental rate for office/warehouse properties in CARB 0883-2011-P; however, he did not have a copy of that decision to provide to the Board.

The Respondent submitted a chart of 21 lease comparables in the SE quadrant of B quality buildings (Exhibit R1 page 44). The leases commenced in 2009- 2010. The leased areas ranged between 644 sq. ft. to 5,072 sq. ft. at rates between \$10.00 psf to \$18.00 psf for a median of \$15.00 psf.

The Respondent submitted 4 equity comparables of office/warehouse comparables that ranged between 7,896 sq. ft to 153,808 sq. ft. that were assessed at \$15.00 psf (Exhibit R1 page 30).

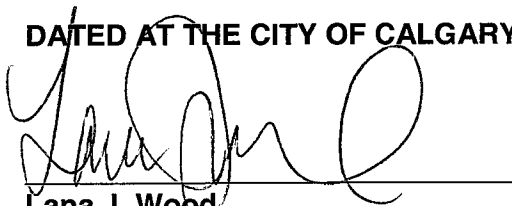
The Respondent challenged the Complainant's equity comparables on the basis that none of the equity comparables have warehouse space, like the subject property (Exhibit R1 page 45).

The Board finds that the Complainant failed to show that there should be different rent rates applied to the two space types: office and warehouse. There was no evidence to support the rate of \$8.00 psf as requested for the warehouse space. The subject property's ARFI indicates to the Board that a single rate is applied and that it supports the City's assessed rate of \$15.00 psf.

Board's Decision:

The decision of the Board is to confirm the 2011 assessment for the subject property at \$9,030,000.

DATED AT THE CITY OF CALGARY THIS 15 DAY OF SEPTEMBER 2011.



Lana J. Wood
Presiding Officer

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

EXHIBIT NO.	ITEM
1. C1	Complainant's Submission
2. R1	Respondent's Submission

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.*