

**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:

Westpen Properties Ltd. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

A. Blake, MEMBER

J. Rankin, 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:	095000204
LOCATION ADDRESS:	4800 52 ST SE
HEARING NUMBER:	62784
ASSESSMENT:	\$31,250,000

This complaint was heard on the 29th day of Aug., 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- Mr. J. Smiley (Altus Group Limited)

Appeared on behalf of the Respondent:

- Mr. I. Baigent

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

There were no concerns with the composition of the Board.

There were no preliminary matters. The merit hearing proceeded.

Property Description:

The subject property is a 18.04 acre parcel located in the Starfield Industrial Park in SE Calgary. The site is multi improved with a 157,692 square foot (SF) multi tenant warehouse and a 171,274 SF multi tenant warehouse that were constructed in 1999 and 2000 with finish of 14% and 35% respectively. The site coverage is 38.78%. The subject is assessed at rates of \$94 and \$95.64 per SF utilizing the Direct Sales Comparison Approach to Value.

Issues:

The Assessment Review Board Complaint Form contained 11 grounds for appeal. At the outset of the hearing, the Complainant advised that the only outstanding issue was equity.

Complainant's Requested Value: \$28,220,000 (Complaint Form)
\$25,880,000 (Hearing)

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

Issue Equity

The Complainant's Disclosure is labelled C-1.

The Complainant, at page 12, provided a list of 7 purported comparables with net rentable areas ranging from 250,000 to 345,000 SF, site coverage ranging from 45.84 to 65.01%, year of construction ranging from 1996 to 2008, and assessments ranging from \$60 to \$87 per SF. The Complainant noted that the most comparable property was located at 5350 86 AV SE and the assessment per square foot (Asmt/SF) for that property was \$77.00 per SF. It is noted that the net rentable areas(NRA) are all much larger than the individual buildings on the subject parcel, site coverages are higher and % finish is lower than the subject.

The Complainant, at page 15, demonstrated that if there were two comparable warehouses located on the same property and the only distinguishable difference was the % finish and the Asmt/SF, then you could calculate an assessment value for each % difference in finish between the two buildings. The Complainant determined that value to be \$0.068 per % of finish.

The Complainant then submitted that the most comparable property is assessed at \$77.00 per SF and that an adjustment of \$1.70 per SF is necessary to account for the additional finish levels in the subject (25%), and that applying a unit rate of \$78.70 to the subject would yield an indicated value of \$25,889,624.

The Respondent's Disclosure is labelled R-1.

The Respondent, at page 49, provided 9 Equity Comparables with building values in the range of \$11 million to \$25 million noting the subjects are assessed at \$14 million and \$16 million, they have similar site coverage and similar year of construction (AYOC).

The Board finds the equity comparables from the Complainant are not comparable to the subject. Site coverage is in the range of 50 to 65% versus 38% of the subject, and the net rentable areas are up to twice as large as the subject. Furthermore, the Complainant's calculation to adjust for the difference of % finish is not presented as an industry adjustment standard recognized by any industry authority.

Board's Decision:

The 2011 assessment is confirmed at \$31,250,000.

Reasons

The Complainant has failed to demonstrate that the assessment is not correct or inequitable.

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


B. Horrocks
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.*