

**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:

***Sunwest International Aviation Services Ltd.
(as represented by Altus Group Ltd.), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***L. Wood, PRESIDING OFFICER
R. Deschaine, MEMBER
K. Farn, 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:	902006303
LOCATION ADDRESS:	230 AVIATION PL NE
HEARING NUMBER:	61229
ASSESSMENT:	\$6,780,000

This complaint was heard on 24 day of October, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *Ms. D. Chabot* *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *Mr. K. Buckry* *Assessor, City of Calgary*

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

The parties requested that the evidence and argument submitted on file #64370 be cross referenced to this complaint. The Board agreed with the parties' request.

Property Description:

The subject property is an owner occupied aviation hangar located at the Calgary International Airport. There are two hangars on site: the first has a gross building size of 34,908 sq. ft., constructed in 1996. The second has a gross building size of 21,965 sq. ft., constructed in 2003. The hangars are situated on 2.68 acres of land and have a site coverage ratio of 43.2%.

The subject property has been assessed based on the Income Approach to value.

Issues:

1. The capitalization rate for the subject property should be increased from 8.0% to 8.5%.

Complainant's Requested Value: \$6,380,000

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

1. The capitalization rate for the subject property should be increased from 8.0% to 8.5%.

The Complainant submitted the subject property has been assessed with a lower capitalization rate (8.0%) than comparable properties (8.5%). She presented four (hangar) equity comparables that are 72,360 sq. ft. – 207,119 sq. ft., located on parcels of 4.7 acres – 16.68 acres, which have been assessed with an 8.5% capitalization rate (Exhibit C1 page 12). She indicated the subject property was given the same capitalization rate as these four comparable properties, at least, for the last two years. She argued there were no sales of a similar property in order to support a change in the capitalization rate for the subject property this year.

The Respondent submitted there had been an error on the assessment record for the subject property which had reflected the previous, old, demolished hangar as opposed to the newer hangar (Exhibit R1 page 15). This error was corrected this year. He argued that the Complainant's equity comparables are considerably older than the subject property. The Respondent also submitted a Hangar Equity Chart with 10 hangars to illustrate the subject

property has been equitably assessed with an 8.0% capitalization rate (Exhibit R1 page 20).

The Board finds the Complainant's four equity comparables are not similar in terms of age to the subject property. The equity comparable hangars are substantially older (built in 1957 – 1987) than the subject property's two hangars (built in 1996 & 2003). The Board finds the difference in capitalization rates between the subject property and the comparables is reasonable as there is higher risk associated with the older hangars as opposed to the newer hangars. As such, the Board finds there was insufficient evidence to warrant an increase in the subject property's assessed capitalization rate.

Board's Decision:

The decision of the Board is to confirm the 2011 assessment for the subject property at \$6,780,000.

DATED AT THE CITY OF CALGARY THIS 2nd DAY OF DECEMBER 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. C2	Complainant's Rebuttal
3. 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.*

FOR ADMINISTRATIVE USE

SUBJECT	PROPERTY TYPE	PROPERTY SUB - TYPE	ISSUE	SUB - ISSUE
CARB	Other Property Types	Specialty Property	Income Approach	Capitalization Rate