

**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:**

***HOOPP Realty Inc., (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:

<b>ROLL NUMBER:</b>	<b>201181765</b>
<b>LOCATION ADDRESS:</b>	<b>21 AERO DR NE</b>
<b>HEARING NUMBER:</b>	<b>64641</b>
<b>ASSESSMENT:</b>	<b>\$32,740,000</b>

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 subject property is a multi building industrial warehouse site located at the Calgary International Airport. The first is a single tenant warehouse, comprised of 180,000 sq. ft., built in 2007. The second is a multi tenant warehouse, comprised of 172,000 sq. ft., built in 2008. The warehouses are situated on 17.71 acres of land and have a site coverage ratio of 45.6%. The warehouses were assessed at \$15,930,000 and \$16,810,034 respectively.

The property was assessed based on the Income Approach to value.

At the commencement of the hearing, the Respondent indicated that the single tenant warehouse was assessed at \$7.50 psf; however, he stated that it should be \$6.50 psf because it is a pure distribution warehouse. The multi tenant industrial warehouse was assessed at \$8.25 psf. However, it contains both developed and undeveloped areas therefore two different assessed rates should apply. The Respondent agreed with the Complainant's calculation of deducting \$0.75 psf from the \$8.25 psf rate to derive the assessed rate for the undeveloped space. It was based on permits taken out on the subject property (Exhibit C2 page 9). As such, the undeveloped areas would be assessed at \$7.50 psf and the developed areas would remain unchanged at \$8.25 psf. The Board has set out the Income Approach calculations as agreed upon by the parties as follows (Exhibit C2 page 8):

Rentable Area (SF)	Rate (SF)	PGI	Vacancy & NR (%)	EGI	Shortfall/ Op Costs	Cap Rate (%)	NOI	Assessment
180,000	\$7.50	\$1,350,000	10.75	\$1,204,875	\$49,950	7.25	\$1,154,925	\$15,930,000
172,000	\$8.25	\$1,419,000	10.75	\$1,266,458	\$47,730	7.25	\$1,218,728	\$16,810,034

**Total \$32,740,034**

Rentable Area (SF)	Rate (SF)	PGI	Vacancy & NR (%)	EGI	Shortfall/ Op Costs	Cap Rate (%)	NOI	Assessment
180,000	<b>\$6.50</b>	\$1,170,000	10.75	\$1,044,225	\$49,950	7.25	\$994,275	\$13,714,138
73,476 developed	\$8.25	\$606,177	10.75	\$541,013	\$20,390	7.25	\$520,623	\$7,181,012
98,454 undeveloped	<b>\$7.50</b>	\$738,405	10.75	\$659,026	\$27,321	7.25	\$631,705	\$8,713,179

**Total \$29,608,329**

The Board finds the Respondent's explanation for the assessed rental rates reasonable and notes the Complainant's agreement as well.

**Board's Decision:**

The decision of the Board is to reduce the 2011 assessment for the subject property from \$32,740,000 to \$29,600,000 (truncated).

DATED AT THE CITY OF CALGARY THIS 30 DAY OF November 2011.



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Lana J. Wood  
Presiding Officer

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

<b>EXHIBIT NO.</b>	<b>ITEM</b>
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**

<b>SUBJECT</b>	<b>PROPERTY TYPE</b>	<b>PROPERTY SUB - TYPE</b>	<b>ISSUE</b>	<b>SUB - ISSUE</b>
CARB	Warehouse	Warehouse Multi Building	Income Approach	Net Market Rent / Lease Rates