

**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(4).

between:

Altus Group, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Hudson, PRESIDING OFFICER

D. Julien, MEMBER

C. McEwen, 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 2010 Assessment Roll as follows:

ROLL NUMBER: 112002704

LOCATION ADDRESS: 7029 Farrell Rd SE

FILE NUMBER: 56433

ASSESSMENT: \$ 2,710,000

This complaint was heard on the 22nd day of June, 2010 at the office of the Assessment Review Board located at 4th floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- *Randall Worthington* *Altus Group*

Appeared on behalf of the Respondent:

- *George Bell* *Assessor, City of Calgary*

PROPERTY DESCRIPTION:

The subject property is an industrial warehouse with office extension located in the Fairview Industrial Area of the Central Industrial Region. The building includes 25,728 sq ft of net rentable area with 6.41% office finish. The site area is 1.02 acres with 58.01% site coverage and zoned DC. The current assessment is \$2,710,000 or \$105 psf; the requested assessment is \$2,310,000 or \$90 psf.

ISSUES / GROUNDS FOR COMPLAINT:

The Complainant suggests the subject property is atypical in the market due to age and restrictions imposed by the DC Bylaw governing use of the site. The assessment does not reflect the atypical circumstances and should therefore be reduced.

COMPLAINANT'S POSITION ON THE ISSUES:

The Complainant submitted several photographs of the subject property with particular emphasis on its location across the lane from a residential area. The DC Bylaw governing the site does not allow access from the lane in addition to other site restrictions due to its proximity to the residential area. The current assessment does not reflect those issues. The Complainant suggested that based on the income approach using a current lease rate of \$7.00 psf and a Cap rate of 8% the assessment would be \$2,139,000 or \$83 psf. Based on sales the value would be \$2,310,000 based on the median of \$90 psf from six (6) comparables. Based on equity the Complainant suggested a reasonable rate would be \$95 psf based on five (5) comparables or \$2,440,000. In the end the Complainant suggested the best evidence supports the direct sales comparison value of \$2,310,000.

RESPONDENT'S POSITION ON THE ISSUES:

The Respondent suggested that the most significant issue affecting the value of subject is the high degree of site coverage at 58% (30% is considered typical). The Respondent suggested there was no evidence to support a reduction based on the DC zoning Bylaw restrictions or the restrictions on access to the property from the lane. The sales comparables and equity comparables submitted by the Respondent indicated that the subject property would be valued in the range of \$120 psf if not for the high site coverage on the subject property which brings it down to the \$105 per sq ft reflected in the current assessment.

BOARD FINDINGS ON THE ISSUE:

The comparable properties submitted by the parties from both a market value and equity point of view were lacking the significant component of exceedingly high site coverage exhibited by the subject. For the most part the comparables were superior to the subject, but in reality not very comparable in most respects.

The evidence is not compelling with respect to the request to reduce the assessment.

BOARD DECISION:

The assessment is confirmed at \$ 2,710,000.

REASONS:

The lack of truly comparable properties in the same market area does not allow the Board any reason to adjust the assessment. The current assessment seems to be both fair and equitable given the atypical characteristics of the subject property.

DATED AT THE CITY OF CALGARY THIS 23rd DAY OF JULY 2010.



T. Hudson
Presiding Officer

TH/mc

Cc: Owner

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.*