

**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 the Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER:	092036003
LOCATION ADDRESS:	3831 – 16 St SE
HEARING NUMBER:	59699
ASSESSMENT:	\$1,890,000

This complaint was heard on the 23rd day of June, 2010 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:

- *Randall Worthington, Agent*

Appeared on behalf of the Respondent:

- *Don Kozak, Assessor*

Property Description:

The subject property is a multi-tenanted building constructed in 1976 and located in the Alyth/Bonnybrook district of the central industrial region. The building has a main floor and mezzanine, with a total net rentable area of 12,000 sq. ft. and no office finish. The parcel area is 0.52 acres with 53% site coverage. The current assessment is \$1,890,000, or \$158 per sq. ft. (rounded). The requested assessment is \$960,000 or \$80 per sq. ft. (rounded).

Issues/Grounds for Complaint:

The Complainant alleges the subject property assessment exceeds market value and is inequitable when compared to the assessments of similar properties.

Position of the Complainant on the Issues:

The Complainant prepared estimates of value based on the income approach (i.e. \$80 per sq. ft.) and the direct sales comparison approach (\$124 per sq. ft.) An equity analysis produced an estimate of \$117 per sq. ft. The requested assessment is based on the income approach to value, which used a lease rate of \$6.80 per sq. ft., a 3% vacancy allowance, a 2% non-recoverable allowance and a CAP rate of 8%.

Position of the Respondent on the Issues:

The Respondent noted that the subject property is atypical in the market due to the bay design, which lends itself to uses other than typical warehouse storage. The land use designation of I-R also sets the subject property apart. One sale of industrial property zoned I-R was submitted in support of the assessment. Seven (7) equity comparables were submitted, with range of assessments from \$132 to \$177 per sq. ft.

Board Findings on the Issues:

The Board finds that the evidence of the Complainant with respect to the direct sales comparison analysis produces the most reasonable estimate of market value for the subject property at \$124 per sq. ft. The Seven (7) sales used in the analysis were, for the most part, either similar or superior to the subject property. Two sales in particular, at 6504 – 30 St SE and 6333 – 35 St SE, were very comparable to the subject. The equity comparables submitted by both the parties support some reduction in the assessment.

Board's Decision:

The assessment of the subject property is reduced to \$1,480,000, or \$124 per sq. ft. (rounded).

Reasons:

Market values (sales) of similar properties support a reduction in the assessment. The income approach to value estimate submitted by the Complainant was not supported by the sales evidence.

DATED AT THE CITY OF CALGARY THIS 28th DAY OF JULY 2010.



T. Hudson
Presiding Officer
TH/br

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.*