

**CALGARY  
COMPOSITE ASSESSMENT REVIEW BOARD  
\*\*REVISED\*\*  
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 Limited, COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***L.R. Loven, PRESIDING OFFICER  
K. Farn, MEMBER  
R. Deschaine, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>090083502</b>
<b>LOCATION ADDRESS:</b>	<b>415 Manitou Road S.E.</b>
<b>HEARING NUMBER:</b>	<b>59302</b>
<b>ASSESSMENT:</b>	<b>\$9,540,000</b>

This complaint was heard on the 23<sup>rd</sup> day of August, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 - 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- C. Van Staden                      Agent, Altus Group

Appeared on behalf of the Respondent:

- J. Young                              Assessor, City of Calgary

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

Both the Respondent and the Complainant confirmed to the Board that they had no procedural or jurisdictional matters to be raised.

**Property Description:**

The subject property consists of a 129,019 square foot industrial warehouse located in the community of Manchester. The property is zoned I-G. The total assessment is \$9,540,000.

**Issues:**

1. The rentable building area is incorrect; and,
2. The subject property is assessed unfairly with respect to:
  - a. Equity of comparable properties; and,
  - b. Sales of comparable properties.

**Complainant's Requested Value:** \$5,800,000

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

**Issue 1. Rentable Building Area**

The Complainant submitted that the building located on the subject property was measured by Measure Master in January 2010, and provided drawings noting the total main floor area as 11,079 square meters (or approximately 119,264 square feet) and the upper level as 4,703.3 square feet, for a total of 123,964 square feet. The Complainant further submitted a City of Calgary Assessment Summary Report for the subject property, showing the area as 140,219 square feet and an Assessment Explanation Supplement showing the rentable building area as 129,019 square feet and 10% finish.

The Respondent did not provide any argument or evidence to the contrary.

Based on the above evidence and argument, the Board finds the rentable area of the building to be 123,964 square feet.

**Issue 2a. Equity**

The Complainant submitted that, on an Income Approach using a 5% rate for vacancy and non-recoverables, and 8% capitalization rate at the assessed value, a rent rate of \$6.50 per square foot would be required. However, the previous tenant had renegotiated a lease rate of \$3.90 per square foot and the Complainant put forward that a lease rate of \$4.00 per square foot would be considered reasonable.

The Complainant secondly submitted 12 equity comparables ranging in assessed value per square foot from \$65 to \$106 and highlighted that they are all superior, except for the Property located at 5516 5 Street SE, which is assessed at \$65 per square foot. The Complainant submits this supports the argument that the property is over assessed at \$77 per square foot and should be more equitably assessed at \$65 per square foot.

The Respondent submitted 14 equity comparables ranging from \$65 to \$106 per square foot, and noted one property located at 5516 - 5 Street SE, assessed at \$65 per square foot, was inferior, and another at 6324 10 Street SE assessed at \$74 per square foot, was newer and better.

In rebuttal, the Complainant submitted ARB 0756-2010-P, page 8, regarding the use of the Income Approach when there is a lack of sales. The Complainant also referenced ARB 0527-2010-P regarding rent roll, ARB 0523-2010-P, page 18, regarding equity, and ARB 0521-2010-P, page 21, regarding adjustment of comparables on income.

Based on its consideration of the above evidence and argument, the Board finds the requested assessment rate of \$65 per square foot to be fair.

**Issue 2b. Sales**

The Complainant submitted 8 sales comparables ranging in time adjusted sale prices per square foot from \$75 to \$142, noting they would all require some adjustment downward to match the Complainant's indicated rate of \$65 per square foot based on market value; and noted the property located at 2807 - 57 Avenue SE, assessed at \$75 per square foot, is 10 years newer than the subject property, and a further downward adjustment would be required for the condition of the building as of December 31, 2009.

The Respondent submitted 13 industrial sales comparables ranging in time adjusted sale prices from \$69 to \$147, noting a building located at 2807 57 Avenue SE, assessed at \$71 per square foot, would be one of the most comparable, and another located at 5760 9 Street SE, assessed at \$69 per square foot, was "worse".

Based on its consideration of the foregoing evidence and argument regarding market value, the Board finds that it is fair to give some weight to the claim that the subject property may be over assessed and that an assessment rate of \$65 per square foot may be more reflective of market value.

**Summary:**

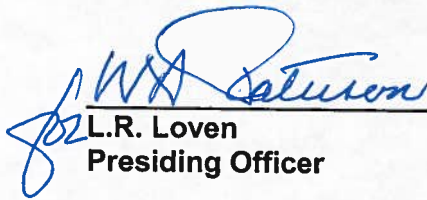
The assessment valuation method applied in this instance was the Sales Comparison Approach. The use of this approach to value is contextually allowed in the legislation. The

Complainant advanced argument, based in part on an earlier CARB decision, cited above, that supports the use of the Income Approach when there are limited sales. In this case, the Complainant's requested assessment rate was supported, by an excerpt from a lease agreement for the subject property. To not rely on this evidence could result in inequity and unfairness in the assessed value of the subject property.

**Board's Decision:**

For the reasons set forth above, the assessment of the subject property is hereby adjusted as follows: \$5,880,000.

DATED AT THE CITY OF CALGARY THIS 24 DAY OF SEPTEMBER 2010.

  
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L.R. Loven  
Presiding Officer

*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.*