

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the Property/Business assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460(4).

**between:**

***Altus Group Ltd., COMPLAINANT***

**and**

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

**before:**

***L. Wood, PRESIDING OFFICER***

***C. McEwen, MEMBER***

***A. Wong, 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:

**ROLL NUMBER: 119007904**

**LOCATION ADDRESS: 8916 48 STREET SE**

**HEARING NUMBER: 57410**

**ASSESSMENT: \$6,290,000**

This complaint was heard on 28th day of July, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- Mr. D. Mewha

Appeared on behalf of the Respondent:

- Mr. J. Lepine

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

There were no procedural or jurisdictional matters raised at the hearing.

**Property Description:**

The subject property is a single tenant warehouse comprised of 51,623 sq ft of rentable building area, located on a 4.76 acre site in South Foothills. It has a site ratio of 24.01. The warehouse was constructed in 1978. The land is zoned I-G, Industrial General. The property is used for manufacturing brick and concrete.

**Issues: (as indicated on the complaint form)**

1. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$85 psf for the improvements at typical coverage.

**Complainant's Requested Value:** \$4,740,000

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

The Board notes that an appendix to the complaint form contains several statements as to why the subject property's assessment is incorrect; however, the Board will only address those issues raised at the hearing.

**The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$85 psf for the improvements at typical coverage.**

The Complainant submitted that the subject property, which is used to manufacture concrete and brick, was assessed based on the direct sales comparison approach. However, the property located at 3145 Shepard PL SE, which is used for the same purpose, was assessed based on the cost approach (Exhibit C1 page 33). The Complainant also submitted the Assessment Summary Reports for two other properties used for heavy industrial manufacturing and they are assessed based on the cost approach (Exhibit C1 pages 20, 40). The Complainant submitted the subject property should be assessed on the cost approach as well.

The Respondent submitted that this is a typical warehouse used for storage and therefore the subject property was assessed based on the direct sales comparison approach. The Respondent submitted that its assessment is supported by several sales and equity comparables (Exhibit R1 pages 16 & 18).

The Board finds that this is a special use property, used for the manufacturing of concrete and brick. Although no interior photographs of the subject property were provided, the photographs of its exterior show construction cranes and silos similar to the property located at 3145 Shepard PL SE. The Board also finds an inequity exists when the subject property is not assessed similarly to other manufacturing industrial properties which are assessed based on the cost approach.

The Complainant provided cost data by Marshall & Swift for the building on site for a total building cost of \$3,128,203 and a land rate of \$315,854 based on two properties: 3001 Shepard PL SE (\$361,106/acre) and 3145 Shepard PL SE (\$270,602/acre) (Exhibit C1 pages 13,14 16).

The Board finds the cost data for the building of \$3,128,203 reasonable and notes that it was uncontested by the Respondent. However the Board does not find the two land parcels comparable to the subject property. The land parcels are twice the size of the subject property (11.3 acres each), and they are located in East Shepard Place as opposed to the subject's location in South Foothills Industrial.


The Board notes in the Respondent's verbal testimony he referred to the City's land rate for I-G zoned lands as \$1,050,000 for the first acre and \$350,000/acre (acres 1-10). The Board finds a discrepancy in the \$350,000/acre rate and it should be corrected to \$300,000/acre. The Board finds the land rate of \$1,050,000 for the first acre and \$300,000/acre (1-10 acres) should be applied in this instance (Exhibit C1 page 17).

Based on the cost approach, the Board determines the value for the subject property as follows: \$3,128,203 (building) + \$2,130,000 (land) (\$1,050,000 (1<sup>st</sup> acre) + \$300,000/acre x 3.76 acres) = \$5,306,203.

**Board's Decision:**

The decision of the Board is to reduce the 2010 assessment for the subject property from \$6,900,000 to \$5,306,000 (truncated).

DATED AT THE CITY OF CALGARY THIS 30 DAY OF AUGUST 2010.



**Lana J. Wood**  
**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.*