

**CALGARY
COMPOSITE 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 Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

Steven C. Kashuba, PRESIDING OFFICER

M. Peters, MEMBER

B. Jerchel, 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: 091035709

LOCATION ADDRESS: 4027 – 7 Street SE

HEARING NUMBER: 59427

ASSESSMENT: \$3,530,000

This complaint was heard on 30th day of September, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212-31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- *C. Van Staden*

Appeared on behalf of the Respondent:

- *Todd Luchak*

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

There were no procedural or jurisdictional matters raised.

Property Description:

Located at 4027 – 7 Street SE in the Community of Highfield, the subject property is an industrial warehouse with multiple bays. Constructed in 1955, the warehouse sits on 65,776 square feet of land, has a floor rental area of 37,688 square feet of which 50% is dedicated to office space, and *site coverage* of 57%. The warehouse is assessed at a rate of \$90 per square foot, and the current assessment is \$3,530,000.

Issues:

1. The income stream of the subject property does not support its assessment, and
2. Equity comparables do not support the assessment. ***(Note: This issue was later abandoned by the Complainant during the course of the hearing.)***

Complainant's Requested Value: \$2,230,000

Issue #1: Income Approach

Position of Complainant

It is the position of the Complainant that a rental rate of \$5.00 should be applied to the subject property rather than the \$7.89 as applied by the Respondent. In support of this position, the Complainant presented the rent roll as of December 1, 2009 (C-1, page 22) which shows that the lease rates are at \$8.91, \$5.46, and \$3.82 per square foot for the three leases for a base rate of \$5.00 per square foot.

In addition, the Complainant presented several recent CARB decisions in support of their income stream issue (C-1, pages 26 – 62).

Position of Respondent

The Respondent presented six equity comparables to support the assessment (R-1, page 20) which are located in the same sector of the City as the subject property and which show that the rate of \$94 per square foot is supported. The equity comparables show a range

of values from \$92 to \$106 per square foot and exhibit characteristics similar to the subject property with respect to site coverage, rentable area, and finish. However, with the exception of one case, it is noted that the assessment amount per square foot in the other cases exceeds the rent rate applied to the subject property.

Findings and Decision of Board

The Board places little weight upon the Complainant's request for the application of a lease rate less than that determined by the Respondent in that the rent rates evident in the subject property and applied by the Complainant in their request for a reduction in the assessment do not necessarily reflect typical lease rates in the industrial sector for warehouses. In this particular case, the board does conclude that the lease rates attained in the subject property are at variance with typical lease rates in the industrial sector for multiple-bay warehouses.

The Respondent did not present any lease comparables to support the assessment.

Issue #2: Equity Comparisons

Position of Complainant

To support a reduction in the assessment, the Complainant presented two equity comparables (C-1, page 23). ***However, during the course of the hearing the Complainant abandoned this issue saying that the comparables selected were not sufficiently compelling so as to have an impact upon the assessment of the subject property.***

Position of Respondent

The Respondent submitted six equity comparables (R-1, page 20) located in the same quadrant of the City as the subject property. In terms of variables, the comparables are similar in terms of site coverage, parcel size, year of construction, and finish. Three of the six are multi-bay warehouses while three are single tenant whereas the subject is a multi-bay warehouse. In five of six cases the rate per square foot of the comparables exceeds that of the subject property.

In further support of the assessment, the Respondent presented five sales comparables (R-1, page 24) which show that the sales attained a median value of \$97 per square foot while a value of \$93.69 was applied to the subject property.

Finally, the Respondent presented several CARB and MGB decisions in support of their assessment (R-1, pages 27 – 90).

Findings and Decision of Board

The Board notes that the Complainant did not present any sales comparables.

The Complainant did present several recent CARB decisions in support of their request; however, the Board finds that the particulars of those decisions are considerably different than the particulars of this particular complaint.

In contrast, the Board finds that the Respondent presented six equity comparables and five sales comparables, which reflect characteristics similar to those of the subject property and which do support the assessment.


Board's Decision:

It is the decision of the Board to confirm the assessment of the subject property for 2010 at \$3,530,000.

Reasons:

The Board is persuaded by the equity and sales comparables presented by the Respondent. As for the Complainant's evidence, the Board places little weight upon the Complainant's rent comparable within the subject property in that this rate is not reflective of typical rates for industrial warehouses. For these reasons, the Board concludes that the current assessment is fair and correct and should not be disturbed.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF OCTOBER 2010.


Steven C. Kashuba
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.*