

**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-26.1, Section 460(4).

between:

Altus Group Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

H. Kim, PRESIDING OFFICER

J. Massey, MEMBER

P. Charuk, 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:	101026003
LOCATION ADDRESS:	5537 1A St SW
HEARING NUMBER:	59483
ASSESSMENT:	\$2,140,000

This complaint was heard on the 13th day of October, 2010 at the office of the Assessment Review Board located at the 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3. It was heard in a group of eight hearings relating to warehouses with similar evidence and argument. The decision on one group of four warehouses was issued as CARB 1834/2010-P and where applicable that decision is referenced to avoid repetition.

Property Description:

The subject property is a multiple tenant warehouse in the Manchester Industrial district in the Central zone, on a 0.50 acre parcel designated Industrial-Redevelopment (I-R). It has 13,704 SF rentable area with 64% finish and a footprint of 12,360 SF for site coverage of 56.77%. It was constructed in 1981 and is assessed on the sales comparable approach at \$156/SF.

Issues:

The Complainant identified a number of issues on the Complaint form; however at the hearing the three issues argued and considered were:

1. The income approach indicates the subject assessment is overstated.
2. The sales approach indicates the subject assessment is overstated.
3. The equity comparables indicate the subject assessment is overstated.

Complainant's Requested Value: \$1,130,000 revised to \$1,540,000 at the hearing

Board's Decision in Respect of Each Matter or Issue:**Issue 1 – Value based on Income Approach**

The Complainant and Respondent presented the same evidence and argument with respect to this issue as that presented in hearings earlier in the day. The Complainant stated that in order to achieve the assessed value, the subject property would have to rent at \$13.15/SF which is not achievable. The value based on income would be \$1,545,983 which truncated to \$1,540,000 is the requested value.

Decision and Reasons:

The Board finds that the Complainant's income approach does not yield values that are a reasonable approximation of market value, for the same reasons as detailed in CARB 1834/2010-P.

Issue 2 – Value based on sales of comparable properties**Complainant's position:**

The Complainant presented seven comparables in the Central, Southeast and Northeast zones of warehouses between 8,600 and 17,996 SF net rentable area, built 1963 to 1983, that sold between August 2006 and January 2009. They had 4% to 55% finish, site coverage of 41.5 to 54.3% and time adjusted sale prices (TASPs) of \$95/SF to \$138/SF. Adjustments for differences in age, finish, site coverage and wall height were applied to the sale prices, and the indicated value of the subject is \$115/SF which would result in a value of \$1,570,000.

Respondent's position:

The Respondent presented six sales that occurred between June 2007 and June 2008 in the Central zone (Manchester, Alyth/Bonnybrook, Burbank and Highfield) of warehouses between 8,120 and 11,288 SF net rentable area, built 1951 to 1975. They had 8% to 43% finish, site coverage of 27.81 to 54.07% with a TASP/SF of \$150 to \$216/SF. The median is \$187/SF and supports the assessment.

Decision and Reasons:

The Board considered the sales presented by both parties and could not draw any conclusions from the sales presented. Five of the Complainant's sales were some distance from the subject yet there was no adjustment for location. The two sales in the Central zone were significantly larger and older than the subject, and one of them occurred in August 2006 which the Board does not consider to be a reliable indicator of value in July 2009. The Respondent's sales were in the Central zone but were also not of assistance, being significantly smaller than the subject. On balance, the sales evidence was insufficient to support a change in the assessment.

Issue 3 – Equity**Complainant's position:**

The Complainant presented nine equity comparables of single and multiple tenant warehouses in the Central zone, located in Manchester, Alyth/Bonnybrook, and Fairview. They ranged from 12,300 SF to 14,733 SF, built between 1962 and 1981 with 4 to 54% finish and 25.23 to 54.84% site coverage. The assessments ranged from \$98 to \$182/SF. With adjustments for differences in tenancy, age, finish, site coverage and wall height the indicated value based on equity is \$142/SF or \$1,945,968 truncated to \$1,940,000.

Respondent's position:

The Respondent presented seven equity comparables of multiple tenant warehouses in the Central zone, located in Manchester, Alyth/Bonnybrook, Highfield and Burbank. They ranged from 11,300 SF to 13,280 SF, built between 1961 and 1995 with 0 to 50% finish and 46 to 80% site coverage. The comparables are assessed at \$150/SF to \$177/SF and support the assessment of the subject at \$156/SF.

Decision and Reasons:

The Complainant's equity comparables generally were substantially older with less finish than the subject property, but were assessed in the same range as the subject. The average of the nine comparables was \$151 and the median \$154/SF. In the absence of evidence supporting the basis for adjustments applied, the Board did not follow the Complainant's conclusion of an indicated value of \$142/SF from equity comparables provided. On balance, the Board did not find that any of the comparables to be sufficiently similar to the subject to demonstrate inequity.

Board's Decision:

The complaint is denied and the assessment confirmed at \$2,140,000.

DATED AT THE CITY OF CALGARY THIS 21 DAY OF October 2010.



H. Kim

Presiding Officer

APPENDIX "A"

DOCUMENTS RECEIVED AND CONSIDERED BY THE BOARD:

NO.	ITEM
C1	Complaint Form
C2	Complainant's submission
R1	Respondent's submission

APPENDIX 'B'

ORAL REPRESENTATIONS

PERSON APPEARING	CAPACITY
Christine van Staden	Altus Group Limited, Complainant
Jarrett Young	Assessor, City of Calgary, Respondent

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.*