

**CALGARY  
COMPOSITE ASSESSMENT REVIEW BOARD (CARB)  
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:**

***Colliers International Realty Advisors, COMPLAINANT***

**and**

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

**before:**

***P. Irwin, PRESIDING OFFICER***

***J. O'Hearn, MEMBER***

***J. Joseph, MEMBER***

A hearing was convened on October 26<sup>th</sup>, 2010 in Boardroom 3 at the office of the Calgary Assessment Review Board, located at 1212 – 31 Avenue NE, Calgary, Alberta in respect of the 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>101035301</b>
<b>LOCATION ADDRESS:</b>	<b>6120 2 ST SE</b>
<b>HEARING NUMBER:</b>	<b>57274</b>
<b>ASSESSMENT:</b>	<b>\$26,240,000</b>

**PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT**

The subject property is a 12.27 acre parcel of land with four multiple tenant industrial warehouse (IW M) buildings on it, located in the Central Industrial Region (Manchester Community) of Calgary. These buildings were all built in 1978. They are either one or two storey buildings with rentable areas ranging from 41,090 square feet (sf) to 93,157 sf and totalling 265,102 sf. The buildings were assessed individually, based on the sales approach to assessment. Each building had its own unique rate of assessment, ranging from \$95.00 per sf to \$107.07 per sf, and the overall assessment was \$98 per sf.

**PART B: PROCEDURAL OR JURISDICTIONAL MATTERS**

There were no objections to the composition of the Board, nor were there any jurisdictional matters.

**PART C: MATTERS/ ISSUES**

1. Is the assessment methodology incorrect?
2. Is the assessment on the subject property too high?

The Complainant provided a description and photographs of the subject property, and went through the assessment explanation supplement, noting that the buildings collectively had a site coverage of 37% and the Land Use Guideline (LUG) for the area was Industrial – General (I-G) . He submitted that the correct methodology for assessment would be to treat the subject as a single property and review assessments and sales of other Central Region (Manchester) properties with greater than 100,000 sf. He requested an assessment of \$21,730,000, based on \$82 per sf.

The Complainant provided a spreadsheet of six Manchester assessment comparables with rentable areas ranging from ~50K sf to ~137K sf, with assessments ranging from \$82.26 per sf to \$98.28 per sf. While noting that sales of properties with over 100K sf were rare, he did provide a spreadsheet showing one transaction of a property at 5760 – 9<sup>th</sup> St SE that had a time-adjusted sale price of \$83.44 per sf and an assessment of \$82 per sf. The building size was ~200K sf and the site coverage was ~38%.

The Complainant also brought to the Board's attention three 2010 CARB decisions (#0761, #1053, and #1021) which he felt supported his request.

The Respondent provided a table of five equity comparables showing building rentable areas ranging from ~34K sf to ~120K sf, and assessments ranging from \$84 per sf to \$112 per sf and he highlighted some similarities to the subject. He also provided a table of three sales comparables of properties with building rentable areas ranging from ~25K sf to ~90K sf, with sale prices ranging from \$115 per sf to \$147 per sf. He also provided two Notice of Decision letters showing that the Municipal Government Board confirmed the 2008 and 2009 assessments for the subject property.

The parties also discussed the fact that one of the tenants in one of the buildings was an office for the Terry Fox Foundation. Both the Complainant and the Respondent agreed that the 1000 sf occupied by them should be tax exempt.

**Board's Findings and Reasons in Respect of Each Matter or Issue:****Issue #1**

The Board thoroughly reviewed all of the data and information put before it. In the opinion of this Board, it is more appropriate to treat the four buildings as one for assessment purposes because the subject property is one parcel of land registered on one land title. The Respondent did not provide evidence, or sufficient evidence, to convince the Board that the overall assessment should be based on four individual building assessments. As noted in CARB decision #0761, "in the marketplace, the property would compete with other properties with around the same total floor area, regardless of the number of buildings".

Issue #2

Having made a decision on Issue #1, the Board then looked at the comparables provided by both parties and gave greater weight to those with more than 100K sf. The one equity comparable provided by the Complainant for a property with over 100K sf (actually 137K sf, at 323 – 53 Avenue) had an assessment of \$82.26 per sf. The Complainant's sales comparable for a building with ~180K sf of area (5760 – 9 St SE) had an assessment of \$82 per sf. All of the Respondent's comparables had much smaller rentable areas and were therefore given little weight. The only equity comparable from the Respondent with over 100K sf (303 58 Avenue SE, with ~120K sf) had an assessment rate of \$84 per and this appeared to support the Complainant's request. In light of the foregoing, the Board finds that the correct, fair and equitable assessment is \$82 per sf, which on 265,102 sf of rentable area produces a reduced assessment of \$21,738,364. The Board also deducted \$82,000 (1000 sf at \$82 per sf) for the tax exempt portion, to yield a final assessment of \$21,656,364 (truncated to \$21,650,000).

**PART D: FINAL DECISION(S)**

The 2010 assessment on the subject property is reduced, to \$21,650,000.

DATED AT THE CITY OF CALGARY THIS 2<sup>nd</sup> DAY OF NOVEMBER 2010.



**P. Irwin**  
**Presiding Officer**

**APPENDIX "A" : ORAL REPRESENTATIONS**

**PERSON APPEARING                      CAPACITY**

*Michael Uhryn                      Colliers International Realty Advisors, on behalf of 1414225 Alberta Ltd.*  
*George Bell                        Assessor, City of Calgary*

**APPENDIX "B" : DOCUMENTS RECEIVED BY THE ASSESSMENT REVIEW BOARD**

Document C – 1              Complaint Brief (considered)  
Document R – 1              Respondent's Brief (considered)

*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.*