

**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, Section 460(4).

between:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L. Wood, PRESIDING OFFICER

I. Zacharopoulos, MEMBER

D. Steele, 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: 101004653

LOCATION ADDRESS: 6115 4 STREET SE

HEARING NUMBER: 59762

ASSESSMENT: \$7,190,000

This complaint was heard on 5th day of October, 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:

- Ms. C. Van Staden

Appeared on behalf of the Respondent:

- Ms. M. Lau
- Mr. J. Young

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

There were no procedural or jurisdictional matters raised by the parties during the hearing.

Property Description:

The subject property is comprised of two multi tenant warehouses situated on a 4.54 acre parcel in South Manchester. The buildings, constructed in 1974, have rentable building areas of 34,560 and 34,552 sq ft, respectively. The land use designation is I-G, Industrial General. The site coverage ratio is 34.93%. There is an exempt area of 4,608 sq ft that is occupied by Quest Theatre Society. The total assessment of \$7,190,000 reflects the taxable portion of the subject property's assessment.

Issues: (as indicated on the complaint form)

1. The aggregate assessment per square foot applied to the subject property does not reflect market value for assessment purposes when using the direct sales comparison approach and should be \$90 psf.
2. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$95 psf.

Complainant's Requested Value: \$5,800,000 (taxable)

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

The Board notes that there were several statements on the appendix to the complaint form; however, it will only address those issues that were raised at the hearing. The values, as indicated on the complaint form, may have changed at the time of hearing.

1. **The aggregate assessment per square foot applied to the subject property does not reflect market value for assessment purposes when using the direct sales comparison approach and should be \$90 psf.**

The Complainant submitted 3 sales comparables that ranged from \$77- \$83 psf (time adjusted) in support of her request that the subject property should be assessed at \$5,805,360 or \$90 psf (Exhibit C1 page 22). The sales comparables are single tenant warehouses located in the Central,

NE and SE quadrants. The warehouses were built in 1966- 1977, with net rentable areas of 62,660-77,351 sq ft and site coverage of 41.0%- 59.4%.

The Respondent submitted 8 sales comparables that ranged from \$103- \$180 psf (time adjusted) in support of the assessment of the subject property at \$111 psf (Exhibit R1 page 54). The sales comparables are comprised of both single and multi tenant warehouses located in the Central, NE and SE quadrants. The warehouses were built in 1967- 2006, with net rentable areas of 50,170-91,064 sq ft and site coverage of 24.31%- 41.33%.

The Respondent also submitted the Assessment Request for Information ("ARFI") dated April 13, 2010 for the subject property (Exhibit R1 pages 56- 63). There are 19 tenants with leases that commenced in 2002- 2010. The tenants in the two buildings occupy 25 bays between 1,948- 4,964 sq ft and have rental rates of \$7.50- \$13.50 psf for a median of \$9.25 psf. The Respondent indicated that a median of \$13.00 psf is more appropriate to reflect the 2009 leases. The Respondent performed a similar test that the Complainant has presented to the Board to show how much of a rental rate a property would have to achieve in order to support its current assessment (Exhibit R1 page 55). He indicated that the subject property would have to generate a rental rate of \$8.42 psf with an 8% capitalization rate and 5% vacancy rate in order to be assessed at \$7,190,000. In this instance, the subject property is exceeding that rate which further supports the Respondent's position that the assessment is correct.

The Board placed less weight on the Complainant's market analysis because she failed to explain the adjustments that were required. The Board finds the Respondent's sales comparables establish a range and the subject property is within that range, thereby confirming the assessment. The Board also placed weight on the rental information for the subject property, as provided by the Respondent, which further supports the current assessment.

2. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$95 psf.

The Complainant submitted 11 equity comparables that ranged from \$79- \$99 psf in support of her request that the subject property should be assessed at \$6,127,880 or \$95 psf (Exhibit C1 page 21). The Complainant excluded the comparable located at 4822 Centre Street SW which is known as the Golf Dome. The equity comparables are comprised of both single and multi tenant warehouses located in the Central quadrant. The warehouses were built in 1959- 1981, with net rentable areas of 62,400- 78,056 sq ft, and site coverage of 29.84%- 59.43%.

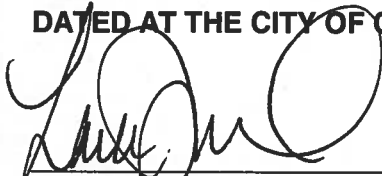
The Respondent submitted 7 equity comparables that ranged from \$107- \$114 psf in support of the assessment of the subject property at \$111 psf (Exhibit R1 page 53). The equity comparables are multi tenant warehouses located in the Central quadrant. The warehouses were built in 1965- 1978, with net rentable areas of 30,000- 39,802 sq ft, and site coverage of 36%- 43%.

The Board placed less weight on the Complainant's equity analysis because she failed to explain the adjustments that were required. The Board finds the Respondent's equity comparables establish a range and the subject property is within that range, thereby confirming the assessment.

Board's Decision:

The decision of the Board is to confirm the 2010 assessment of the taxable portion of the subject property at \$7,190,000.

DATED AT THE CITY OF CALGARY THIS 26 DAY OF NOVEMBER 2010.



Lana J. Wood
Presiding Officer

APPENDIX A

DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:

<u>NO.</u>	<u>ITEM</u>
Exhibit C1	Evidence Submission of the Complainant
Exhibit C2	Altus Binder
Exhibit C3	Assessment Review Board decisions & legislation excerpts
Exhibit R1	City of Calgary's Assessment Brief

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.*