

**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:

Assessment Advisory Group, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

J.P. Acker, PRESIDING OFFICER

T. Usselman, MEMBER

D. Julien, MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of Property/Business assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER:	100004209
LOCATION ADDRESS:	5716 Burbank Road S.E
HEARING NUMBER:	58618
ASSESSMENT:	\$ 5,880,000

This complaint was heard on the 9th day of August, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom #3.

Appeared on behalf of the Complainant:

- *Mr. Troy Howell*

Appeared on behalf of the Respondent:

- *Mr. Don Kozak*

Property Description:

This warehouse property is sited on 3.32 acres of land zoned I-G improved with a single structure of 65,116 sq ft of leasable space constructed in 1971 with 30% office finish. The improvement comprises 43.71% coverage of the site area.

Issues:

Assessed value in excess of market value

Complainant's Requested Value: \$ 4,889,731

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

The Complainant provided the board with three sales comparables, two of which were post facto sales following the valuation date of July 1, 2009. The complainant applied adjustments on each of the comparables to deliver an average adjusted price per square foot of \$77. The subject was assessed at \$93/sq ft..

The board noted that the two post facto sales were July 19, 2009 and December 15, 2009 to which no time adjustment was applied. The third sale comparable was time adjusted from December 2008 with a 15% reduction from the sale price. Each of the three comps were adjusted between -15% and -5% for building size as shown in the chart below:

	Net Leasable Area	% Adjustment
Subject	63,503 sq ft	
6204 – 6 A Street S.E.	39,193	- 15%
6030 – 3 rd Street S.E.	50,170	- 10%
3716 – 64 th Ave S.E.	56,000	- 5%

No rationale was presented on how the building size adjustment was calculated.

Similarly, adjustments were made for the land size combined with site coverage to bring the comparables into similarity with the subject:

	Parcel Size	Site Coverage	% Adjustment
Subject	3.32 ac	44%	
6204 – 6 A Street S.E.	2.86 ac	32%	- 10%
6030 – 3 rd Street S.E.	2.96 ac	39%	- 5%
3716 – 64 th Ave S.E.	4.00 ac	32%	- 10%

Again, no rationale in support of the percentage values assigned was provided by the Complainant.

Finally, an adjustment of -5% was applied to the 3716 64th Avenue S.E. to account for its year of construction (1980) versus the subject (1971) with no supporting evidence to validate this value.

The respondent provided 5 sales comparables, with the property at 6030 – 3 Street S.E. offered as the best comparable. The sale prices were time adjusted to present an average sale price per square foot of \$96.60. The sales comparables presented a range of site size from 1.85 acres to 4.01 acres versus the subject's 3.32 acre size. The age of the improvements ranged from 1963 to 1977 with the subject having been built in 1971. The comparable net rental areas ranged from 46,988 sq ft to 77,351 sq feet versus the subject's 65,116 sq ft.. The office finish percentage of the subject was 30% versus the range in comparables from 7% to 18%.

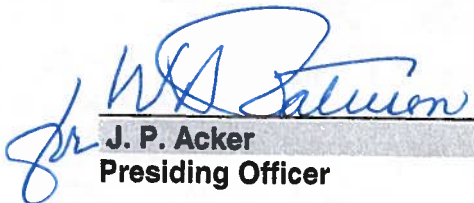
Insofar as the sales comparables exhibited a range of values bracketing the subject and the subject clearly had more extensive office finish, the indicated average value per square foot of \$96.60 supports the assessment of \$90.36. Further, the lack of supporting evidence for the adjustments applied to the Complainant's comparables resulted in the board giving significantly less weight to those comparables.

Accordingly, the board confirms the assessment at \$5,880,000

Board's Decision:

The assessment is confirmed at \$5,880,000.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF August, 2010.


J. P. Acker
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.*