

**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, Revised Statutes of Alberta 2000 (the Act).

between:

***SREIT (NUQUEST CALGARY) LTD (as represented by Altus Group Limited),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***L. Patrick, PRESIDING OFFICER
I. Fraser, MEMBER
D. Cochrane, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2012 Assessment Roll as follows:

ROLL NUMBER:	100002807
LOCATION ADDRESS:	5824 Burbank RD SE
FILE NUMBER:	67790
ASSESSMENT:	\$4,050,000

This complaint was heard on the 23rd day of October, 2012 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:

- R. Worthington

Appeared on behalf of the Respondent:

- G. Bell

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

- [1] There were no jurisdictional or procedural matters raised during the hearing.

Property Description:

[2] The subject is a multiple tenant industrial warehouse located at the corner of Burbank Road SE and Burleigh CR SE in the Burns Industrial CE region. The site consists of 2.38 acres and a 1971 building with 40,613 square feet of net rentable area, 51% office finish, and 38.46% site coverage. The assessment rate is \$100 per square foot.

Issues:

Does the assessed value exceed the market value of the subject?

Complainant's Requested Value: \$3,440,000

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

[3] Complainant's Position. The Complainant did not present any sales comparables contending there are no market sales of similar type in the immediate market area. The Complainant presented 8 equity comparables one of which was withdrawn leaving 7 with a median assessment of \$93 that being the requested assessment. The range of site coverage is 41% to 45% all of which are higher than that of the subject at 38.46%. The building area of 40,613 is within the range of the comparables of 27,240 to 47,558 square feet and the year of construction is within the range of the comparables of 1964 to 1977. The range of office finish is 11% to 41% all of which are below that of the subject at 51%. The Complainant contends that by virtue of the *Bramalea* decision, it is acceptable to seek an adjustment of an assessment

based on equity alone in the absence of any market data comparables. The basis for the contention is that the assessment values in the array of equity comparables are all derived by the assessor from the market in the course of conducting the mass appraisal process. The Complainant further notes that the Respondent presents only one sales comparison and that one sale doesn't establish a market thus leaving only the equity comparables of the parties to be considered by the Board in this matter.

[4] Respondent's Position. The Respondent acknowledged that of the 4 sales comparables presented in evidence 3 had to be withdrawn for various reasons thereby leaving one sale to be considered by the Board. The Respondent contends that normally one sale does not make a market value on its own but should be considered by the Board because it is the only sale in evidence before the Board. Whereas the sale comparable is located in South Manchester and the subject is located in Burns industrial park, both are within the central region. Given its other key factor similarities such as parcel size, assessable building area, age, and site coverage the respondent submits that significant weight should be given to the market indicated by this sale at the time adjusted sale price of \$108.33 per square foot. Among the Respondent's equity comparables is one located on the same street as the subject that has some similarities in size, age and location. The site coverage is 31.06% compared to the subject at 38.46% and appears to be reflected in the equity assessment value of \$106.75 compared to the subject at \$100 but which, the Respondent contends, supports the assessment.

Board's Decision:

[5] The assessment is confirmed at \$4,050,000.

Reasons: The Board finds that the question of whether to put any weight on the sale comparable is resolved in favour of the Respondent. The similarity of the subject and the sale comparable is sufficiently close such that it supports the assessment. The equity comparable on the same street as the subject also supports the assessment. The Complainant did not, in relying on the equity argument, establish sufficient reason to discard the sale comparable completely and thus there is some market evidence before the Board. The Board gave less weight to the equity comparables because of the key factor of site coverage. The site coverages of the Complainant's equity comparables were all higher than the subject which tends to depress the assessed values creating some doubt about the median value of those comparables of \$93.

DATED AT THE CITY OF CALGARY THIS 13 DAY OF November 2012.



L. Patrick

Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. R2	Respondent Disclosure
3. C2	Complainant Rebuttal

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.*

