

**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:**

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

**and**

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

**before:**

***Steven C. Kashuba, PRESIDING OFFICER***

***R. Deschaine, MEMBER***

***R. Cochrane, 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: 100003508**

**LOCATION ADDRESS: 5648 Burleigh Cr SE**

**HEARING NUMBER: 58693**

**ASSESSMENT: \$2,300,000**

This complaint was heard on the 4th day of August, 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:

- M. Uhryn

Appeared on behalf of the Respondent:

- I. McDermott

**Board's Decision in Respect of Procedural or Jurisdictional Matters:** None identified

**Property Description:**

The subject property, located at 5648 Burleigh Cr SE, is an industrial warehouse situated in the community of Burns Industrial. Constructed in 1972, this building has a rentable area of 15,523 square feet and is situated on an interior irregular-shaped lot of 0.98 acres. The current assessment is \$2,300,000.

**Issues:**

1. Is the assessment of the subject property fair and correct based upon sales comparables?

**Complainant's Requested Value:** \$1,750,000

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

**Position of Complainant**

It is the position of the Complainant that the subject property has been excessively assessed at a rate of \$149 per square foot. The 2009 assessment for the subject property was initially set at \$2,380,000 but reduced by ARB to \$1,920,000 (from \$154 per square foot to \$125 per square foot). The 2009 assessment was subsequently confirmed by the MGB. The reduction deemed to be warranted as the two closest industrial sales reflected values of \$121 and \$125 per square foot. These two sales are once again presented as sales comparables in defence of the current year's assessment. The Complainant submitted four industrial-zoned properties of similar vintage, zoning, and size. The four sales are time-adjusted to a range of \$114 to \$131 per square foot with a median of \$119 per square foot.

**Position of Respondent**

The Respondent presented an Assessment Explanation Supplement confirming the details of the subject property and the fact that the percentage of finish is 24% and an assessment rate of \$149 per square foot. In support of the assessment, the Respondent presented six Industrial Sales Comparables, five of which are located in Central Calgary, while one is located in SE Calgary. The subject property is located in Central Calgary. Five of the sales occurred in 2007, while one occurred in 2008. No sales were presented for 2009. As for site coverage, five of the sales comparables are in the same range of land coverage as is the subject property, while one is at 17% as opposed to the subject property wherein the site coverage is 35.98%. The board also notes that two of the sales comparable were built some 12 years earlier than was the subject property.

As for equity comparables, the Respondent presented six equity comparables, all in Central Calgary, all are zoned I-G, Industrial General, the parcel sizes are all very near the one-acre size, and the year of build in each case is relatively close to the year-build of the subject property of 1972. Finally, the finish in each case is close to the 24% of the subject property. The equity comparables range in assessment per square foot from \$143 to \$156.

#### **Decision of board as regards Issue #1**

Even though no sales comparables were presented that occurred in 2009, the board is persuaded by the evidence presented by the Complainant by way of three sales comparables which occurred in 2007. Of the four sales comparables presented, the board considers the sales at 7725 – 46 Street SE, 5678 Burleigh Cr SE, and 5614 Burbank Rd SE to be reflective of the per square foot value of the subject property. Further to this, the board accepts the Complainant's argument that the adjusted *assessment to sales ratios* are at great variance to the expected 1.00 (1-C, page 13 wherein the ASRs are 1.73, 1.26, 1.46, and 1.29) which in turn supports the conclusion that the comparable properties are over-assessed and, by deduction, the subject property is also over-assessed. As a result of this evidence the Complainant requested that a reduction in the assessment of the subject property be put into place.

As for sales comparable presented by the Respondent, the board notes that two are *outliers* while the one sale's comparable selected by both parties at 5678 Burleigh Cr SE would support the board's conclusion that a reduction in the assessment value is necessary. In addition, the board notes that the necessary detail for each sale was absent thereby making comparability all the more difficult. In conclusion, the board places little weight upon the sales comparables presented by the Respondent in that with the exception of one sale the others are from a different Sub Market as well as from a different subdivision of the City.

Although the Complainant did not present any equity comparables, the board accepts that the sales comparables selected by the Complainant constitute a fair reflection of market value and are directly in response to their issue of the fairness of assessment based upon sales comparables.

#### **Board's Decision:**

It is the decision of the board to reduce the assessment of the subject property for 2010 from \$2,300,000 to \$1,830,000.

#### **Reasons:**

The board is persuaded by the sales comparables presented by the Complainant in support of their request for a reduction in the assessment.

DATED AT THE CITY OF CALGARY THIS 24 DAY OF August 2010.



Steven C. Kashuba  
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.*