

**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:

***Boundary Investments Ltd. (as represented by Cushman & Wakefield Ltd.),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***B. Horrocks, PRESIDING OFFICER
J. Joseph, MEMBER
D. Steele, 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 2011 Assessment Roll as follows:

ROLL NUMBER:	049008006
LOCATION ADDRESS:	3131 32 AV NE
HEARING NUMBER:	63700
ASSESSMENT:	\$4,910,000

This complaint was heard on the 27th day of June, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- Mr. J. Goresht (Cushman & Wakefield Ltd.)

Appeared on behalf of the Respondent:

- Mr. T. Johnson

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

There were no concerns with the Board as constituted.

There were two preliminary matters, namely;

- 1.** Mr. J. Joseph, Board member advised that he had a business relationship with Mr. Jay Ruparell of RJR Enterprises in the past. Both parties advised that they were not concerned.
- 2.** The Complainant requested that the Appraisal Report on pages 22 thru 85 of R-1 be removed from the disclosure as it had been prepared for financing purposes and had been reproduced without the prior written agreement of the author(s). The Respondent agreed to remove pages 22 thru 85 of his disclosure document labelled R-1 from any further consideration.

The merit hearing proceeded.

Property Description:

The subject property, commonly known as Sunridge Nissan, is a 1.96 acre parcel located in the Sunridge Community in NE Calgary. The site contains a 23,083 sq. ft. building, operated as an Automotive Retail and Service Centre, that was constructed in 1985 and is considered to be of A2 quality.

Issues:

The Assessment Review Board Complaint form contained a shopping list of issues, amongst which was "the assessment amount is incorrect". At the hearing, the Complainant advised more specifically that the property is incorrectly assessed based on an incorrect calculation of the depreciation.

Complainant's Requested Value: \$3,000,000 (Complaint form)
\$4,616,800 (Hearing)

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

Issue Calculation of the Depreciation

The Complainant's Disclosure is labelled C-1.

The Complainant provided a RealNet report dated 5/11/2011 which stated that the building had been constructed in 1985 and renovated circa 2005.

The Complainant provided the Assessment Summary Report calculations noting that the Effective Age (years) was 13 and the Physical and Functional Depreciation that had been applied was 33.6%. He argued that the Depreciation should be calculated based on the 25 year age of the building, which when combined with the 20% obsolescence would result in a depreciation of 45%. He requested an assessment of \$4,616,800.

The Respondent's Disclosure is labelled R-1.

The Respondent, at page 17, provided the Summary Report. She noted that the building is 25 years old and that the assessor had determined the effective age for sections 1, 3 and 5 to be 13 years (noting the 2005 renovation). She further advised that the combined physical and functional depreciation that had been applied from the Marshall and Swift tables was 33.6%. She argued that there is no evidence submitted by the Complainant to demonstrate that an inspection had taken place, nor are there any photos to support the request for further depreciation.

The Board finds that the Respondent applied Marshall and Swift to the letter. The subject is a good quality automotive service centre, with a typical life expectancy of 45 years. They have determined the Effective Age to be 25 years. Utilizing those parameters in the Marshall and Swift tables yields a depreciation of 33%.

Board's Decision:

The 2011 assessment is confirmed at \$4,910,000

Reasons

There is no evidence to show that this property requires any further modernization or major repair that would justify an increase to the depreciation already applied.

There was no market evidence or equity evidence submitted to demonstrate that the Marshall and Swift calculations yield an incorrect assessment.

DATED AT THE CITY OF CALGARY THIS 26 DAY OF JULY 2011.


B. Horrocks
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

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.*