

**CALGARY  
COMPOSITE 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 Ltd.), COMPLAINANT***

**and**

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

**before:**

***M. Chillibeck, PRESIDING OFFICER***

***K. Farn, MEMBER***

***P. Charuk, 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: 100002807**

**LOCATION ADDRESS: 5824 – Burbank RD SE**

**HEARING NUMBER: 64481**

**ASSESSMENT: \$4,000,000**

This complaint was heard on 5<sup>th</sup> day of July, 2011 at the office of the Assessment Review Board located in Boardroom 2 on Floor Number 4 at 1212 – 31 Avenue NE, Calgary, Alberta,.

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:**

Neither party objected to a member of the Board hearing the complaint.

**Property Description:**

The subject is a one storey industrial warehouse, multi tenant property constructed in 1971 with an assessable building area of 40,613 sq ft with 51% office finish and a footprint of 39,803 sq ft on a parcel of land containing 2.38 acres. The site coverage is 38.46% and the LUG (land use guideline) is IG (Industrial General). It is located in the Burns Industrial subdivision of the Central Region of SE Calgary.

The subject property is assessed at \$98.56 per sq ft of building area and determined by the sales comparison method.

**Issues:**

The Complainant identified several issues on the Assessment Review Board Complaint and in the documentary evidence disclosure. The Board summarized the issues as follows:

1. Income method of valuation versus the direct sales comparison of valuation.
2. Comparable Sale of 6204-6A St in December 2009 is best indicator of value.

**Complainant's Requested Value:** \$3,500,000

**Board's findings in Respect of Issue:**

**1. Income method of Valuation**

The Board in decision 1292-2011-P, file 63068 accepted the party's request to carry forward their evidence and argument regarding the income method and cap rate analysis and decision to the hearing of this complaint. The Board quotes the decision on this matter as follows.

*"The Board finds that the Complainant has made their point regarding the income method however; the Board finds the Assessor is not bound by any legislation to use a specific method of valuing property. The assessor is required to assess property at its market value and the Board accepts there are three generally accepted methods of valuing property, one of them being the income method and another being the sales comparison method. It is not the responsibility of the Board to pass judgement as to the method to be used by the assessor. The Board's responsibility is to make a decision whether an assessment is correctly valued at market value or equitably assessed to similar property. In making a decision, the*

*Board will determine each decision based on evidence and argument presented on each complaint. This issue has been decided by several previous Board decisions and the Board is not persuaded to make a decision otherwise."*

## **2. Comparable Sale in 2009**

At the hearing both parties agreed that the comparable sale at 6204-6A St should set the bases for the change in assessment of the subject.

The comparable sold for \$3,820,000 with a sale date of December 15, 2009 at a rate of \$97.59 per sq ft of building area. It is located one and one-half blocks south of the subject and is similar to the subject except for the excess land component. When the adjustment is made for the excess land, the value for the subject is determined to be \$3,690,000.

Based on the forgoing, the Board's decision is to change the assessment.

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

The Board's decision is to change the assessment for the subject property to \$3,690,000.

DATED AT THE CITY OF CALGARY THIS 16 DAY OF AUGUST 2011.



 M. Chilibeck  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant's Disclosure
2. C2	Complainant's Industrial Capitalization Rate Analysis 2011
3. C3	Complainant's 2011 Rebuttal Evidence for Multiple Roll #'s (in 2 parts)
4. R1	Respondent's Disclosure
5. R1 (from file 63275)	Respondent's Response to Altus Leased Fee Cap Study (at page 32)

*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.*

*For MGB Administrative Use Only*

<i>Decision No. 1314-2011-P</i>		<i>Roll No. 100002807</i>		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Warehouse	Multi-Tenant	-Income/sales Approach -Comparable sale price	