

**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:	100002609
LOCATION ADDRESS:	700 58 Av SE
FILE NUMBER:	67789
ASSESSMENT:	\$6,450,000

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 junction of Blackfoot Tr SE and 58 AV SE in the Burns Industrial CE region. The site consists of 4.03 acres and a 1973 building with 72,704 square feet of net rentable area, 18% office finish, and 41.41% site coverage. The assessment rate is \$89 per square foot.

Issues:

- [3] Does the assessed value exceed the market value of the subject?

Complainant's Requested Value: \$5,890,000

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

- [4] Complainant's Position. The Complainant submitted 2 sales comparables, the first being a single tenant industrial warehouse located in Fairview built in 1970 with 8% office finish and 55% site coverage. The TASP for the June 01, 2011 sale is \$82 per square foot. The second sale is a multi-tenanted industrial warehouse located in Highfield built in 1974 with 19% office finish and 53% site coverage. The TASP for the March 01, 2011 sale is \$83 per square foot. The Complainant also submitted 4 equity comparables, 3 of which are in Manchester and one in Highfield. The age range is 1966 to 1975, office finish range is 4% to 25% and the site coverage range is 33% to 47%. The net rentable building areas are 53,634 to 95,274 square feet. The assessment range is \$77 to \$84 with the median being \$83 per square foot. The Complainant contends that the Key Factors of the subject are within each of those ranges. The range in value for the subject is from \$5,960,000 at \$82 per square foot based on the sales

comparables to \$6,030,000 at \$83 per square foot based on the equity comparables. In rebuttal the Complainant notes that the assessments of the 2 sales are respectively \$3,890,000 and \$6,090,000 which are below the sale prices and the respective ASR's are .91 and .92 and are also used by the Respondent as sales comparables..

[5] Respondent's Position. The Respondent submitted 3 sales comparables, the median value of which was \$95 per square foot however the Respondent withdrew one of the sales comparables presented leaving the 2 sales being the same 2 as presented by the Complainant the median of which is \$82 per square foot. The Respondent contends that these sales are distinguishable from the subject in site coverage and the high ratios of them has the result of depressing the sales values making the subject superior. The Respondent submitted 3 equity comparables, the first 2 of which are most similar to the subject. The average of those 2 is \$92 per square foot which supports the assessment. They are close in age at 1971 and 1976 for year of construction, site coverage of 37.66% and 44.50% respectively and site size at 4.07 acres and 3.43 acres.

Board's Decision:

[6] The assessment is confirmed at \$6,450,000.

Reasons: The Board finds the 2 sales comparables are inferior to the subject by virtue of their higher site coverage. The parties agreed that site coverage is an important key factor. The Board finds that site coverage is one of the more important key factors in determining market value and accordingly places less weight upon those sales. The equity comparables of the Complainant represented a higher median site coverage which the Board finds tends to depress the value of the assessment. The Board considered 2 of the 3 equity comparables of the Respondent noting the third comparable was substantially larger than the subject and the other 2 comparables and thus placed little weight on it. The 2 remaining equity comparables are most similar and thus the Board placed more weight on those comparables which support the assessment.

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.*