

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaint against the Property/Business assessment as provided by the *Municipal Government Act*, Chapter M-26.1, Section 460(4).

between:

**Calgary Powerboat Services Inc. – Complainant
Glenmore Management Ltd. – Complainant
Glenmore Door Services Ltd. – Complainant
Spur Properties Ltd. - Complainant
All Represented by Jane and Darren Sawin**

and

The City Of Calgary, RESPONDENT

before:

**W. Kipp, Presiding Officer
Y. Nesry, Member
J. Massey, Member**

This complaint was heard on the 21st day of June, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainants:

- Jane Sawin and Darren Sawin

Appeared on behalf of the Respondent:

- Ian Baigent

The hearing was held to consider complaints about the assessments of the following property tax roll numbers:

Roll No./ Property Identifier	Hearing No.	Assessed Value	Owner
116500000/ Plan 7911328, Unit 1	56513	\$494,000	Calgary Powerboat Services Inc.
116500109/ Plan 7911328, Unit 2	56516	\$522,500	Calgary Powerboat Services Inc.
116500208/ Plan 7911328, Unit 3	56519	\$600,500	Glenmore Management Ltd.
116500307/ Plan 7911328, Unit 4	56521	\$520,000	Glenmore Door Services Ltd.
116500406/ Plan 7911328, Unit 5	56520	\$520,000	Glenmore Management Ltd.
116500505/ Plan 7911328, Unit 6	56517	\$523,000	Spur Properties Ltd.
116500604/ Plan 7911328, Unit 7	56480	\$570,500	Spur Properties Ltd.
116500802/ Plan 7911328, Unit 9	56518	\$542,000	Spur Properties Ltd.

In all, the assessments on eight (8) units within the subject building were complained against and all eight complaints were heard at this hearing. All of the Complainants were represented by the same parties and all complaints were based upon the same evidence. The Respondent's evidence also addressed all eight complaints in one brief. Accordingly, this decision is applicable to all eight of the complaints.

PROPERTY DESCRIPTION

The properties under complaint comprise eight condominium units within an industrial condominium containing a total of 14 units, located at 7139 – 40 Street SE, Calgary, Alberta. The addresses and details of the units are as follows:

Unit Address	Unit No.	Unit Area (Sq Ft)	Finish Area
<i>A</i>	<i>1</i>	<i>2,821</i>	<i>1,008 Sq Ft – Office</i>
<i>B</i>	<i>2</i>	<i>3,030</i>	<i>1,008 Sq Ft – Office</i>
<i>C</i>	<i>3</i>	<i>3,030</i>	<i>1,008 Sq Ft + 1,008 Sq Ft Mezzanine-Office</i>
<i>D</i>	<i>4</i>	<i>3,030</i>	<i>512 Sq Ft – Office</i>
<i>E</i>	<i>5</i>	<i>3,030</i>	<i>512 Sq Ft – Office</i>
<i>F</i>	<i>6</i>	<i>3,030</i>	<i>1,056 Sq Ft – Office</i>
<i>G</i>	<i>7</i>	<i>2,935</i>	<i>672 Sq Ft + 812 Sq Ft Mezzanine-Office</i>
<i>I</i>	<i>9</i>	<i>3,030</i>	<i>992 Sq Ft + 250 Sq Ft Mezzanine-Office</i>

ISSUES:

The CARB considered the complaint form together with the representations and materials presented by the parties. The matters or issues raised are as follows:

ISSUE 1: The assessments are greater than the market values of the units in the property as at July 2009, the effective valuation date.

The Complainant presented evidence pertaining to sales of industrial condominium units. Several of the sales were units utilized in a direct comparison approach by an appraiser, Lou Furano, B.Comm, AACI, P.App. in the appraisal of three other units in the subject building. The January 16, 2009 appraisal had been done for mortgage financing purposes and the appraiser did not attend the hearing to give evidence. Only portions of the appraisal report were entered as evidence. In addition, the Complainant provided details on one other unit in the subject building (Unit 12) that sold for \$467,000 in August 2009 and on one unit in the building (Unit 13) that had been listed for sale since April 2009 (starting at \$519,900 – reduced to \$499,900 in 2010) but which has not sold.

The greatest weight was put on the sale and listing within the subject building and the appraiser's comparables were provided only as support for the conclusions drawn from the sale and listing.

The Respondent provided assessment explanation supplements for the subject units showing assessments at:

Unit No./Address	Assessment	Assessment/Sq Ft
1/A	494,000	\$175
2/B	522,500	\$173
3/C	600,500	\$149*
4/D	520,000	\$172
5/E	520,000	\$172
6/F	523,000	\$173
7/G	570,500	\$152*
9/I	542,000	\$165*

*Assessor calculations based on gross square footage, including mezzanine

In addition, there were sales summary sheets for nine condominium unit sales in southeast industrial areas. Seven of the sales were single units while the other two were groups of either two or three units. There was no summary of the sales data and no conclusions were set out in the evidence to show how the assessor compared the sales to the subjects. Assessment explanation summaries were provided for some of the sales properties. One of those summaries indicated that there was some mezzanine office space within the unit. For sales where no assessment summary was provided, there was no detail on the existence of mezzanine space of any type.

There were no sales of units in the subject building included in the Respondent's evidence. The Respondent questioned the comparability of some of the sales that had been analyzed by the appraiser. The sale in the subject building reported by the Complainant did not transfer until August 2009, thus the assessor had not considered it for the July 1, 2009 effective valuation date. There was no comment from the Respondent on the unit that had been listed for sale.

Decision: Issue 1

In view of the above considerations, the CARB finds as follows with respect to Issue 1:

The Board finds that the unit sale in the subject building, combined with detail of the listing is relevant to the valuation of the subject units. It is recognized that the Respondent did not consider the sale because it transferred in the month after the effective date of value, however, the Board is of the opinion that it is within a reasonable timeframe relative to the valuation date and that it is the most comparable evidence of market value. That sale price converts to \$154 per square foot of unit area. The original asking price on the listed unit was \$167 per square foot and after the price reduction, it was \$160. (Note: while the MLS summary indicates a reduced price of \$499,900, an April 14, 2010 e-mail from the listing agent to one of the complainants stated a list price of \$495,000).

Some of the units discussed during the hearing contained mezzanine floor space and, in some cases, that mezzanine space was developed into offices. The parties used price per square foot as a unit of comparison but that indicator was sometimes derived by dividing the gross area within a unit (main floor plus mezzanine). Other times, it was based only on the ground floor area (the unit area shown on the condominium plan). Developed mezzanine space is considered to add value to a unit. Accordingly, the Board reviewed available evidence and concluded that mezzanine space was not worth as much per square foot as ground floor space but it did add something.

The Board finds that the Complainant's evidence from within the subject building is compelling. The unit rate for the assessments is set at \$155 per square foot of condominium unit area (ground floor area). For those units with mezzanine office space, that space was added at a rate of \$78 per square foot.

Board's Decision:

The complaint is allowed and the assessments are set as follows.

Roll No./Property identifier	Value as set by the CARB
116500000 Unit A	\$437,000
116500109 Unit B	\$469,500
116500208 Unit C	\$548,000
116500307 Unit D	\$469,500
116500406 Unit E	\$469,500
116500505 Unit F	\$469,500
116500604 Unit G	\$518,000
116500802 Unit I	\$489,000

DATED AT THE CITY OF CALGARY THIS 13th DAY OF July 2010.



W. Kipp
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.*