

**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:

Messa Management Inc., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

P. Pask, MEMBER

J. Rankin 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 2010 Assessment Roll as follows:

ROLL NUMBER: 066528944

LOCATION ADDRESS: 1538 17 Ave. SW.

HEARING NUMBER: 57006

ASSESSMENT: \$638,000

This complaint was heard on 7th day of July, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- *E. Tawkin* *Property Owner*

Appeared on behalf of the Respondent:

- *C. Keough* *Assessor*
- *J. Toogood* *Assessor*

Preliminary Matters

None. The merit hearing proceeded.

Property Description:

The subject is a 1216 sq. ft. condo situated on the ground floor of a lowrise apartment building in the Sunalta community of Calgary. The building was constructed in 2000 and is considered to be of good quality. The land use designation is commercial-corridor 1. The subject is used as office space for the owner's law practice. The 2010 assessment is \$638,000.

Issue:

The assessment is too high and not equitable with surrounding properties.

Preliminary requested assessment

\$243,200

Complainant's Argument

- The complainant stated that the current assessment of \$524.67/sq. ft. is too high for office space and should be more in the range of \$200.00/sq. ft.
- The complainants evidence package contained 14 comparables (4 office and 10 retail) located within a 2 block radius of the subject on 17th Ave. SW.
- The assessed value of the 4 office comparables was in the range of \$131.18/sq. ft. to \$243.25/sq. ft. with an average of \$199.70/sq. ft.
- The assessed value of the 10 retail comparables was in the range of \$140.56/sq. ft. to \$328.00/sq. ft. with an average of \$236.82/sq. ft.
- The subject was assessed at \$525.00/sq. ft.
- The complainant requested an assessment of \$200.00/sq. ft. which equates to \$243,200.
- The complainant argued that his property assessment had increased 12% from 2009 while the comparables had all decreased from a low of 22.8% to a high of 46.9%
- The complainant stated that the property had some structural issues and a special assessment of \$4,500 per unit was being made to replace the roof and leaking pipes. No evidence was submitted in support of that statement.
- The complainant took issue with the valuation method used by the City for condominium properties as compared to 'non' condominium properties.
- The complainant took issue with the sales comparable provided by the City located at 1516 17th Ave. SW, within the same building as the subject. He advised the comparable was superior because it contained a mezzanine, two entrances, access to a patio and a liquor

license. He suggested the comparable had potential for leasing/sale to two different owners/occupants.

- The complainant advised that several attempts were made to acquire information from the City, which resulted in a letter from the City (Exhibit 1) which directed the Complainant to the City of Calgary website.

Respondent's Argument

- The Respondent provided an "Assessment Brief" which included a "draft" retail transaction summary for 1 office sale within the same building (1516 17th Ave. SW) and two residential sales, also within the same building.
- The condo office sale was for \$778,000 (\$616/sq. ft.) in March 2008 and is similar in size to the subject.
- The Respondent pointed out that the requested assessment (\$200/sq. ft.) was significantly less than the two residential sales within the same building.
- The Respondent advised that condominiums are assessed according to MGA Section 290.1(1)b and Section 290.1(2).
- The Respondent argued that the Complainant's comparables were not condominiums and therefore were not really comparable.
- The Respondent advised that the current assessment bears no relationship to the previous years assessment.
- The Respondent further advised that the onus of proving the incorrectness of an assessment is on the individual alleging it.

Board Findings

- The Complainant's comparables clearly demonstrate that there is an inequity with the assessments of neighboring properties.
- The Respondent submitted only one sale as representative of the market.

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

- The 2010 assessment should be reduced.
- If the assessment is reduced, what is the correct assessment?
- The Complainant provided a summary of sales for offices in the surrounding area for 2007 and 2008 with sales in the range of \$273/sq. ft. to \$511/sq. ft.
- The 4 sales at 534 17th Ave. SW with a time adjusted sale price of \$486/sq. ft. are the best indicators of value.

Board's Decision:

The assessment is reduced to \$590,000.

DATED AT THE CITY OF CALGARY THIS 14th DAY OF July 2010.


B. Horrocks
Presiding Officer

BH/sd

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.*