

**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:

Altus Group Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L. Loven, PRESIDING OFFICER

J. Mathias, MEMBER

R. Roy, MEMBER

These are complaints to the Calgary Assessment Review Board in respect of Property assessments prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBERS	LOCATION ADDRESSES	FILE NUMBERS	ASSESSMENTS
200166437	300 1710 14 AV NW	59467	\$ 2,320,000
200167120	200 1710 14 AV NW	59468	\$ 2,340,000

These complaints were heard on the 26th day of July, 2010 at the office of the Assessment Review Board located at 3rd Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *Danielle Chabot – Representing Altus Group Inc., as agent for BIM North Inc. and WPL North Hill Inc.*

Appeared on behalf of the Respondent:

- *Bob Partridge – Representing the City of Calgary*

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

The Board derives its authority to make this decision under Part 11 of the Act. No specific jurisdictional or procedural matters were raised during the outset of the hearing, and the Board proceeded to hear the merits of the complaint, as outlined below.

Property Description:

The two properties under complaint consist of two approximately 8,000 square foot commercial (office) condominiums. Both properties are within a direct control district in the Hounsfield Heights/Briar Hill Community located in northwest Calgary.

Issues:

The Complainant raised the following matters in section 4 of the complaint forms: 3, assessment amount and 4, assessment class.

The Complainant, in section 5 of the Complaint forms, requested the preliminary assessments \$1,430,000 for roll number 200166437, and \$1,440,000 for 200167120, respectively; and, provided the following reasons for complaint:

Grounds for appeal:

1. The subject property is assessed in contravention of Section 293 of the Municipal Government Act and Alberta Regulation 220/2004;
2. The use, quality and physical condition attributed by the municipality to the subject properties is incorrect, inequitable and does not satisfy the requirement of Section 289 (2) of the Municipal Government Act;
3. The assessed value should be reduced to the lower of market value or equitable value based on numerous decisions of Canadian Courts;
4. The information requested from the municipality pursuant to Section 299 or 300 of the Municipal Government Act was not provided.
5. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$185;
6. The aggregate assessment per square foot applied to the subject property does not reflect market value for assessment purposes when using the direct sales comparison approach and should be \$185;
7. The characteristics and physical condition of the subject property support the use of the income approach utilizing typical market factors of rent, vacancy, management non-recoverables and cap rates, indicating an assessment market value of \$200;

8. The valuation method used for the subject property is fundamentally flawed in both derivation and application; and
9. The assessed area is incorrect.

As of the date of this hearing, the Complainant confirmed only item #3, regarding equity and market value, of the above issues remained in dispute.

The Board considered the evidence, regarding the subject properties, as given in the Complainant's Evidence Submission and as submitted in the hearing as follows:

- (a) The subject properties are part of the North Hill Mall and are assessed at \$300 per square foot and \$250 per square foot is being requested;
- (b) On the 2010 Commercial Condo Assessment Explanation Summary for Unit 300, the property square footage is given as 7,753, for unit 200, 7,819, and it is noted this is an assessment of \$300 per square foot;
- (c) A photograph of the subject properties;
- (d) An Assessment Summary Report as of December 31, 2009 for a comparable equity property located at 101, 200-Country Hills Landing, noting the assessed value of \$668,000 for the 2,672 square foot property is based on \$250 per square foot;
- (e) Photographs of the above comparable property;
- (f) A table showing the 2010 assessments for eleven condos ranging in size from 1,200 to 2,600 square feet, at the above comparable at \$250 per square foot;
- (g) Assessment summary reports for the eleven above comparable condo properties;
- (h) A table showing the current assessments for the subject properties at \$299 per square foot and requested assessment at \$250 per square foot;
- (i) Sales comparables of three properties located at, 202, 1915-27 Avenue NE, 200, 325-Manning Road NE, and 105, 20-Sunpark Plaza SE, noting the sale date, sale price per square foot building area and age;
- (j) Photographs of the sales comparables, noting the price per square foot of the above second and third sale comparables to be \$260 and \$270, respectfully;
- (k) A sales detail report for the above sale comparable located at 200, 325-Manning Road NE; and
- (l) Condominium Plans of the above sale comparable.

The Board then considered the evidence, regarding the subject properties, given in the Respondent's Assessment Brief and as submitted in the hearing as follows:

- (a) Equity;
- (b) Remaining issues under complaint are assessment amount and equity;
- (c) Exterior and interior photographs of the subject properties;
- (d) Maps showing the proximity of the LRT to the subject properties;
- (e) A drawing showing the footprint of the development in which the subject properties are contained;
- (f) Plan and condominium plans of the subject properties;
- (g) Six sales comparables located at 207, 4603 Varsity Drive NW, A and D, 2220-7 Avenue NW, A, and 102-104, 429-14 Street NW, noting adjusted sale prices per square foot ranging from \$317.24 to \$370.00;
- (h) Photographs of the above sales comparables;
- (i) Twenty-four equity comparables, nine located at 4603-Varisty Drive NW, four at 4500 and 4520-16 Avenue NW, 10 at 1015-Centre Street NW and one at 316-14 Street NW.

- (j) Sixteen equity comparables, three located at 310-316 14 Street NW, one at 145-Point Drive W, two at 4-14 Street NW, two at 1710-14 Avenue NW, three at 2220-14 Street NW four at 429-14 Street NW , and two at Varsity Estates Drive NW, noting the comparables located at Point Drive are assessed at \$280 per square foot;
- (k) Sales details for properties located at 429-14 Street NW, 4603-Varsity Drive W, 325 Manning Drive NE, and 20Sunparrk Plaza SE;
- (l) Calgary ARB Notice of Decision for 2009 roll year pertaining to one of the subject properties located at Unit 200 confirming the initial value;
- (m) RealNet Office Transaction summaries for 1700 Varsity Estates Drive NW, 40 and 20-Sunpark Plaza SE, 264 Midpark Way SE, noting price per square foot of \$346, \$366.67, 305and \$355.73, respectively.

No rebuttal was submitted by either the Complainant. Summaries were provided by both the Complainant and Respondent. The Complainant provided final remarks.

Complainant's Requested Value:

As revised on page 45 of the Complainant's Evidence Submission: \$1,938,250 for roll number 200166437; and, \$1,954,750 for 200167120, respectively.

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

In view of the above considerations, the Board finds as follows:

1. The Complainant's eleven equity comparables located at 200 Country Hills Landing assessed at \$250 per square foot were similar to the subject properties in age, use and located in the NW quadrant. The subject properties have superior locations in their proximity to the city centre and access to the LRT, accordingly the Board placed weight on these comparables relative to the valuation of the subject properties;
2. The Complainants two sales comparables at \$260 and \$270 per square foot did not provide persuasive evidence to warrant a reduction, given the superior location and surrounding amenities of the subject properties. This evidence supports an equitable valuation based on \$300 per square foot;
3. The valuation method applied in this instance is the Sales Comparison Approach. The use of this approach to value is contextually allowed in the legislation. The Complainant did not advance any argument or evidence to support the contention that an error had been made in the application of the Sales Comparison Approach in preparing these assessments.

Board's Decision:

The assessments are confirmed as follows: \$2,320,000 for roll number 200166437; and, \$2,340,000 for 200167120, respectively.

DATED AT THE CITY OF CALGARY THIS 17th DAY OF AUGUST 2010.



L.R. LOVEN
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.*