

**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:**

***Apple Leasing Ltd., COMPLAINANT***

**and**

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

**before:**

***W. Kipp, Presiding Officer  
D. Morice, Board Member  
A. Wong, Board Member***

This is a complaint to the Calgary Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

**ROLL NUMBER: 201473105**

**LOCATION ADDRESS: 19 5505 – 51 Avenue SE, Calgary AB**

**HEARING NUMBER: 56977**

**ASSESSMENT: \$650,500**

This complaint was heard on the 23<sup>rd</sup> day of July, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- Bruce McIntosh

Appeared on behalf of the Respondent:

- James Greer

**Property Description:**

The property that is the subject of this complaint is an industrial condominium unit that is one unit in a two building, twelve unit development in Starfield Industrial in southeast Calgary. Built in 2009, the interior unit contains a ground floor area of 3,589 square feet. Clear ceiling height in the warehouse area is 21 feet. Within the unit, approximately 775 square feet have been developed into two offices and a washroom. The two building development occupies a lot containing 3.098 acres.

**Issues:**

The Complainant raised the following matters in section 4 of the complaint form:  
*Assessment amount*

The Complainant also raised the following specific issues in section 5 of the Complaint form:  
An appraisal and comparative information relates to the market value of the property

Issue: Market Value

**Complainant's Requested Value:**

\$582,642.82

**Board's Decision in Respect of the Issue:**

The Complainant provided a copy of an appraisal report on the subject condominium expressing a market value of \$605,000 with an effective date of September 23, 2009 (2-3 months after the assessment valuation date). The appraiser's value conclusion was based on a direct sales comparison approach, the same valuation method used in calculating the assessment. Four condominium unit sales, all registered during the first half of 2009 were analyzed. Two of the unit sales were in the subject complex and those sales had been negotiated early in 2008. Adjustments were made by the appraiser to reflect a downward shift in the market between 2008 and the valuation date. Other adjustments were made for location and physical characteristics. The value conclusion was based on \$155 per square foot of the total bay area plus \$60 per square foot for the office development.

In addition to the appraisal, the Complainant provided information on the purchase of the subject unit in June 2008 for \$612,500. It was pointed out that values of condo warehouses fell during the period from the purchase date to July 2009, the assessment valuation date. The purchase price did not include the costs of making interior improvements to the unit. Because prices had fallen after the purchase date but before the closing date, the Complainant stated that the developer/vendor offered a \$90,000 price rebate but no details were provided.

The Complainant provided basic information on sales of four units in the same complex, however, these were all 2010 sales. The requested assessment was related to these four sales with \$46,500 added for interior finish.

The Respondent provided a Condominium Assessment Explanation Supplement, however, this only provided the total assessed value without any explanation.

A chart containing sales evidence on five condominium unit sales in southeast industrial areas was in the Respondent's evidence, however, the assessor pointed out that two of those sales comprised office condominiums and should therefore be removed from the list. Of the remaining three sales, two were the same units in the subject complex that had been used by the Complainant's appraiser. These sales were assumed to have taken place on the dates of registration in May and June 2009 rather than at their negotiation dates in early 2008. The third sale, in a different development, was also used by the Complainant's appraiser.

The Respondent also provided an assessment equity chart that showed that five other units in the subject development were assessed similarly to the subject. Equity was not an issue raised by the Complainant so the CARB did not examine this material.

A copy of the City's Assessment Request for Information (ARFI) relating to the purchase of the subject unit was attached to the Respondent's evidence. That ARFI showed that the purchase price had been set on May 10, 2008.

### **Findings**

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

Notwithstanding that the Complainant's appraiser was not available for questioning, the CARB finds no flaws in the reasoning of the appraiser that lead to the final value conclusion of \$605,000, including interior office finish. If market conditions are taken into account and if the other sales in the subject development are set at early 2008 sale dates, then two comparables used by both parties plus the sale of the subject property all support a value of approximately the appraised value.

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

The 2010 assessment is reduced from \$650,500 to \$605,000.

DATED AT THE CITY OF CALGARY THIS 5<sup>th</sup> DAY OF AUGUST 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.*